



YG ENTERTAINMENT

2023 Sustainability Report



About This Report

Report Overview

This report is YG Entertainment's first Sustainability Report published in 2023, aimed at transparently disclosing our activities and performance in the areas of environment, social, and governance (ESG), and fostering effective communication with YG's stakeholders. Through YG's annual Sustainability Reports, YG will actively engage and communicate with stakeholders, incorporating their feedback into YG's business practices, and make dedicated efforts to contribute to the sustainability of society and the environment.

Reporting Period and Scope

This report covers the period from January 1, 2022, to December 31, 2022. As YG Entertainment's inaugural Sustainability Report, it also includes activity and achievement highlights from prior to 2022 or the first half of 2023. Additionally, for meaningful trend analysis, YG provides data for the past three years (2020-2022). Financial performance is reported on a consolidated basis, while non-financial performance focuses on YG Entertainment's domestic operations (excluding accommodation).

Reporting Standards

This report has been prepared pursuant to the Global Reporting Initiative (GRI) Standards 2021. Financial herein complies with the Korean International Financial Reporting Standards (K-IFRS) consolidated financial statements, unless otherwise specified. Furthermore, YG has addressed industry-specific issues using the Sustainability Accounting Standards Board (SASB) standards.

Report Assurance

To ensure the accuracy, objectivity, and reliability of the report's content and preparation process, YG Entertainment's Sustainability Report has undergone an independent assurance process provided by Korea Management Registrar. The verification process aligns with the global assurance standard AA1000AS v3, and the results are available on pages 78-79 of this report.

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Interactive PDF Guide

This report is published as an interactive PDF and includes relevant web links within the report.

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Cover Story

The wave motif is derived from YG's brand statement "VIBE THE NEW FLOW."
The wave motif represents the new direction that YG is leading, embodied in a simple graphic. Varying line thicknesses create a sense of rhythm, and the spreading effect conveys a positive image of sustainable management.



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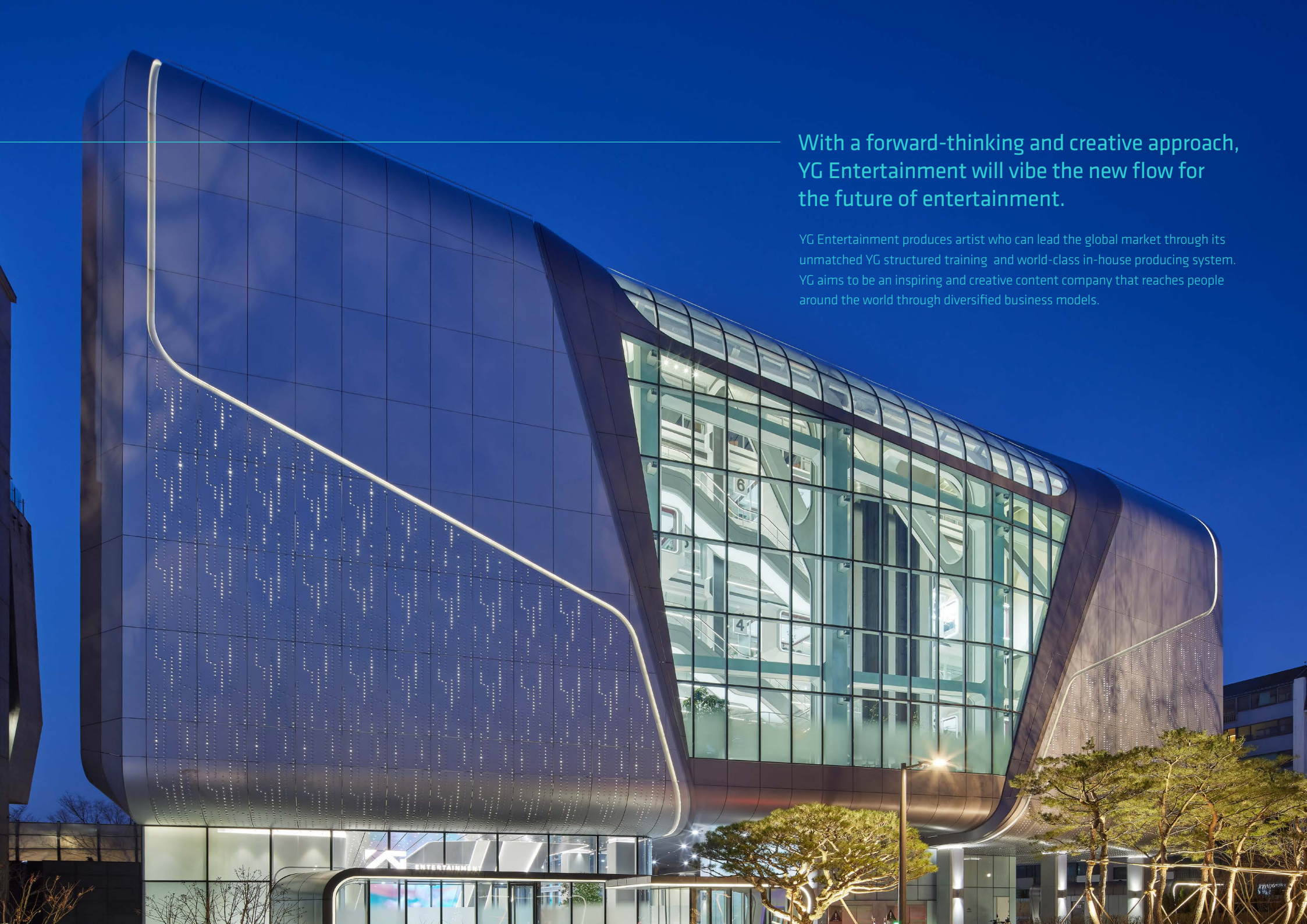
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With a forward-thinking and creative approach,
YG Entertainment will vibrate the new flow for
the future of entertainment.

YG Entertainment produces artists who can lead the global market through its unmatched YG structured training and world-class in-house producing system. YG aims to be an inspiring and creative content company that reaches people around the world through diversified business models.

Representative Director Message

“Impact Beyond Creativity”

YG Entertainment will fulfill its responsibilities as an entertainment company for a better future.

Dear esteemed stakeholders,

In recent years, the challenges and social fatigue we faced during the prolonged pandemic has left us with a shared goal hope of “a better future.” Alongside this, the growing emphasis on “sustainability” is transforming the purpose and direction of corporate management, shifting from a “pursuit of short-term profits” to taking into consideration of sustainable development for all stakeholders and the society.

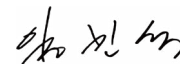
In this fast changing external environment, YG Entertainment has been reflecting on its fundamental role as an entertainment company. Building on these reflections, YG is embarking on a new journey. As a first step, we established the ESG Committee under the Board of Directors in 2022 to ensure appropriate decision-making on sustainable management issues. We also came up with an ESG management strategy with a commitment to contribute to the sustainable society as an entertainment company. Moreover, through the publication of our first Sustainability Report, we aim to transparently communicate these efforts with our stakeholders and make a steady progress.

The entertainment industry today has the power to bring harmony and coexistence through pleasure and to disrupt national and regional boundaries. YG Entertainment believes that by harnessing the special quality and influence of the industry, we can create multiple positive values. Also, YG will strive to integrate sustainable values into all of YG’s business activities, delivering tangible “change” and “development” in the society moving beyond mere pledges of commitment.

We would like to express our gratitude once again to all stakeholders who have consistently placed their trust and support in YG Entertainment. Kindly lend your continued interest and support as we fulfill our role with responsible management for a better future.
Thank you.

July 2023

Yang Min-suk, Representative Director of
YG Entertainment





YG Entertainment will extend the positive influence of music and content to add value to our society.

YG Entertainment aims to create a positive impact by working together with those who enjoy YG's music and content, with the goal of contributing to a better world. Through these efforts, YG will drive a change in society and lay a foundation for the sustainable growth of YG as a company.

Representative Director Message

“Positive Influence Through Culture”

is the guiding slogan for the direction of YG Entertainment.



Greetings, I am Hwang Bo-kyung, Representative Director of YG Entertainment. I am delighted to address all our stakeholders through our first Sustainability Report, which highlights the activities and accomplishments of YG Entertainment.

Since YG’s establishment in 1998, YG Entertainment has been producing industry-leading artists who shape popular culture, leveraging our unparalleled expertise in discovering and developing new talent. YG’s approach of uncovering hidden talent, implementing systematic training, and utilizing a distinguished in-house production system serves as the cornerstone for developing leading artists at the vanguard of the global market. YG is also committed to expanding our content business models and exploring new areas such as digital music, advertising, characters, and games, beyond our traditional service areas such as albums and concerts, recognizing the paradigm shift in the entertainment industry.

Moreover, YG Entertainment strives to create not only financial value but also non-financial value in all aspects of our business areas, including music and various media content, which constitute our core business models. In 2022, YG introduced its mid- to long-term ESG management strategy based on three key directions of “promoting environmental values”, “extending inclusive values” and “responsible management,” with the aim of implementing effective sustainable management and creating a healthy entertainment industry ecosystem.

Taking this into account, YG pledges to continue its efforts in the following areas:

Firstly, YG will explore and take diverse approaches together with our artists, actors, and employees to ensure that the positive influence of YG Entertainment’s music and content leads to “creating environment-friendly values.”

Secondly, YG will advocate for the voices of our employees, partners, and the local communities, further contributing to “promoting inclusive values.”

Thirdly, YG will build a robust corporate governance and implement ethical management as a responsible corporate citizen, in “achieving a responsible corporate management system” that gains the trust of all stakeholders.

YG Entertainment’s unwavering efforts and ventures in promoting the positive influence of popular culture continue to this day. YG will continue to fulfill its role throughout this year as a responsible company that lives up to YG stakeholders’ expectations. Thank you.

July 2023

Hwang Bo-kyung, Representative Director of
YG Entertainment

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Create Experience, Evoke Inspiration

YG Entertainment engages and communicates with the stakeholders with respect for culture and diversity, leads the global entertainment market and delivers enjoyable experiences and inspiration to people around the world.

Corporate Overview

About YG Entertainment

Since its establishment in 1998, YG Entertainment has built a strong foundation on the principles of respect for culture and diversity. Today, YG became a global entertainment powerhouse, expanding the leadership horizon beyond the local entertainment industry to generating revenue around the world. YG's core business areas include music and digital content, live performances, and artist management. The company is actively expanding its business domains to include merchandise sales related to YG artists and various content projects.

Company name	YG Entertainment Co., Ltd.
Head office location	7, Huiujeong-ro 1-gil, Mapo-gu, Seoul
Representative Director	Yang Min-suk, Hwang Bo-kyung
Date of establishment	February 24, 1998
Core business lines	Management, performance, album and music planning, production, distribution, etc.

As of December 31, 2022, on a consolidated basis

No. of employees	415
Total assets	KRW 712.9 billion
Paid-in capital	KRW 526.3 billion
Total revenues	KRW 391.2 billion
Total liabilities	KRW 186.6 billion
Operating profits	KRW 46.6 billion
Credit rating	AA-

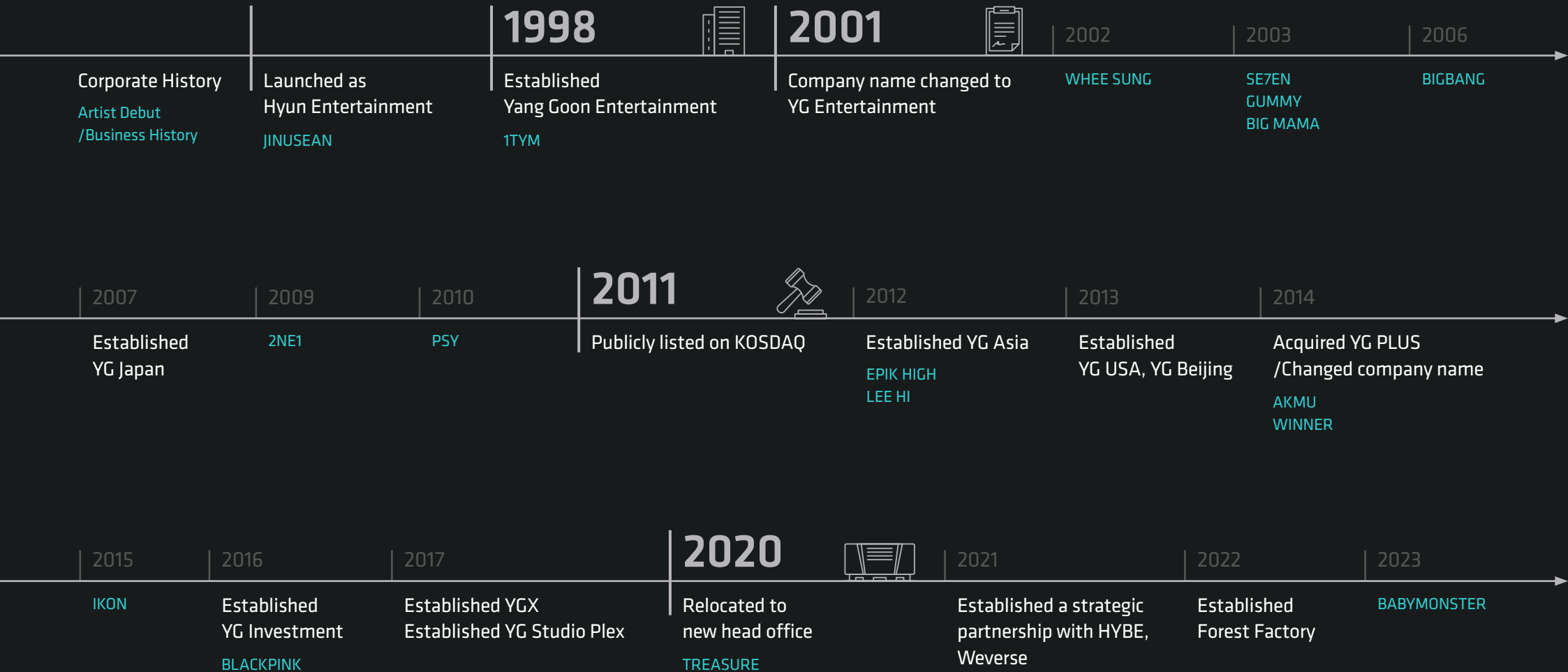
Financial Performance

As of December 31, 2022, Consolidated basis, Unit: KRW 100 mill

Category	2020	2021	2022
Revenues	2,553	3,216	3,912
Cost of sales	(1,745)	(2,240)	(2,632)
Gross profits	808	976	1,280
Other operating income	48	226	69
Other operating expenses	-	(9)	(29)
SG&A	(748)	(723)	(853)
Operating income	107	470	466
Financial income	229	232	141
Financial expenses	(49)	(300)	(76)
Gain on investment in associates	-	10	15
Other non-operating income	48	45	36
Other non-operating expenses	(131)	(95)	(22)
Net income before income tax expense	205	364	560
Income tax expense	(69)	(140)	(145)
Profit from continuing operations	136	223	415
Profit from discontinued operations	(104)	5	53
Net income	32	228	468

1) Financial performance is based on a consolidated basis as of December 31 each year. For detailed information on financial performance (consolidated basis), please refer to the "III. Financial Statements" section of the Annual Report.

Company History



Business Strategy

YG Entertainment is committed to creating new trends with a passion for challenges and engaging and communicating with its stakeholders. Through innovation and evolution, YG's goal is to deliver entertainment and rewarding experiences to people's daily lives worldwide and become a brand, "creating experiences and evoking inspiration" through YG's unrivaled cultural content.

Brand identity

Brand Statement

VIBE THE NEW FLOW

Brand Vision

CREATE EXPERIENCE, EVOKE INSPIRATION

Brand Spirit

TO BE CREATIVE

Brand Core Values

"YG offers a distinct brand experience through a uniquely charming personality that differentiates YG from others"

DISTINCT

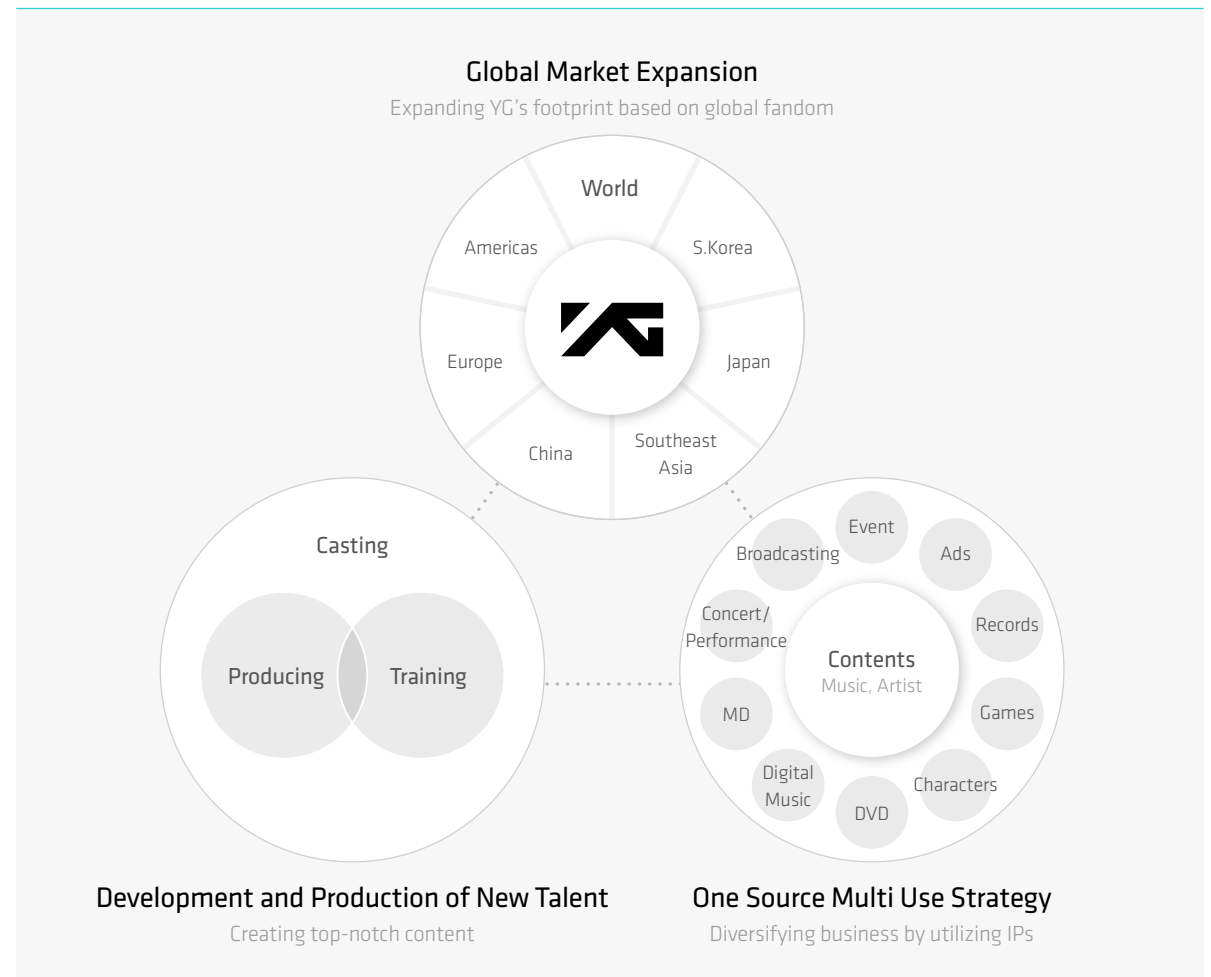
"By constantly evolving based on forward-thinking, YG leads trends at the vanguard of the era"

FORWARD

"Through a collective mindset and collaboration, YG delivers quality results"

COLLECTIVE

Business Strategy



Business Profile

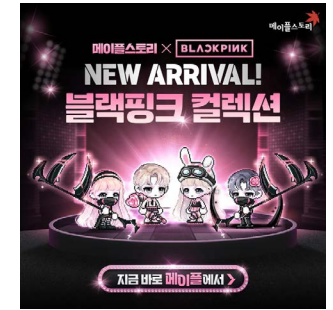
MUSIC

YG Entertainment leads the latest K-pop trends with its unique music content, delivering a distinct and inspiring experience to fans worldwide.



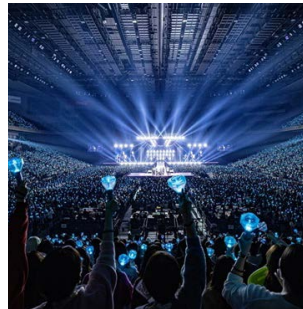
IP BUSINESS

YG interact with fans through everyday products like F&B, games, and character goods. YG also works to actively incorporate digital technologies such as NFT to provide fans with an immersive IP experience.



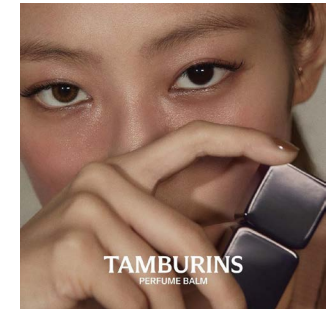
CONCERT

YG engages and interacts with fans globally through on/offline concerts, breaking down geographical and situational borders.



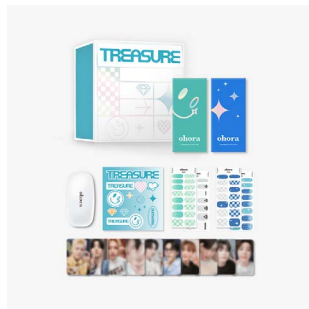
ADVERTISEMENT

Through collaborations with various media channels, YG creates synergies and offers consumers a unique brand experience, showcasing exceptional charm and artistic value of YG artists.



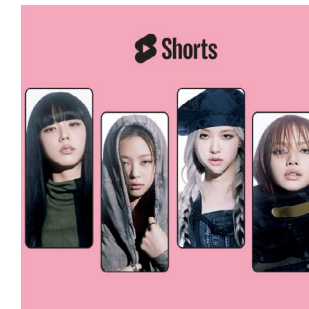
MERCHANDISE

YG's one-stop process, from merchandise planning to distribution utilizing artist licenses, allows YG to build a rapport with fans worldwide.



GLOBAL BUSINESS

Through strategic partnerships with leading global entertainment companies such as GMM Grammy(Thailand), AVEX(Japan) as well as platforms including YouTube, TikTok etc. YG continuously explores new business opportunities.



YG Entertainment's Artists and Actors

YG Entertainment's unrivaled capabilities in discovering new potential talents and providing systematic artist training, alongside its world-class in-house producing system, establish the foundation for developing artists at the vanguard of the global market. YG Entertainment not only represents exceptional artists but also actors with unique talents and charms. Through YG's diverse content, the company contributes to development of the entertainment industry, attracting worldwide attention and interest to Korea's cultural content.

BLACKPINK



In August 2016, BLACKPINK made their debut with the single album "Square One," instantly capturing the public's hearts. Their subsequent releases, "DDU-DU DDU-DU" and "Kill This Love," achieved explosive success and catapulted them to global stardom.

With a strong global fandom, BLACKPINK became the first K-pop group to perform at the Coachella Valley Music and Arts Festival in April 2019. They have continued to make waves among global music fans as headliners at the Coachella in April 2023 and the British Summer Time Hyde Park in July 2023.

In 2022, BLACKPINK released their second full album, "BORN PINK," which topped major music charts, including the Billboard 200 albums chart. This marks a significant milestone as the first K-pop girl group to become the triple million seller as the album sales recorded estimate of 3 million copies.

AKMU



AKMU, the winners of SBS's "K-Pop Star 2" in 2013, have left an indelible mark on the music industry with their unique and catchy self-composed songs such as "Don't Cross Your Legs," "You Are Attractive," and "Is It Ramen?" Since their debut with the first full album "Play" in 2014, they have topped various music charts and received numerous awards, showcasing their talents as singer-songwriters.

AKMU has actively released albums like the "Puberty" series and "Summer Episode." The title track "How Can I Love the Heartbreak, You're the One I Love" from their third full album "Sailing" achieved their highest chart performance and garnered much love from the public. In 2021, AKMU stormed the charts with the collaborative album "Next Episode," where they explored the theme of "Beyond Freedom" through diverse musical narratives and emotions in collaboration with various artists and producers.

WINNER



WINNER, who set record for the "fastest number one hit on a music show charts in S. Korea" upon their debut in 2014, earning the nickname "Monster Rookie," has navigated numerous success stories. Their albums "FATE NUMBER FOR" and "OUR TWENTY FOR" released in 2017, with the title track "REALLY REALLY," became the first Korean male idol group to achieve "Over 100 million streams" on the charts.

Since then, WINNER has released a series of albums showcasing the members' musical talents and capabilities, including their second full album "EVERYD4Y," "MILLIONS," "WE," "CROSS," their third full album "REMEMBER," and "HOLIDAY." Each release has received enthusiastic reception from their fandom and the public, securing their reputation as a trusted and influential music brand.

JINUSEAN



JINUSEAN, a veteran hip-hop duo consisting of members Sean and Jinu, made their debut in 1997 and are widely regarded as one of the top hip-hop groups in S. Korea. To date, they have released a total of four full albums.

They played a significant role in introducing hip-hop to S. Korea and achieved a remarkable album sales record of 700,000 copies, setting a new standard.

Their third album featured collaborations with American rappers Cypress Hill and Mobb Deep, as well as Japan's M-flo, spotlighting their pioneering influence in Korean hip-hop, and as a result they spawned the mega-hit song "A-Yo."

After an 11-year hiatus, JINUSEAN made a glorious comeback in 2015 with the digital single "Tell Me One More Time." Displaying a more mature and relaxed vibe, there is great anticipation for their future endeavors.

SECHSKIES



Since their debut in 1997 with the album "School Byeolgok," SECHSKIES has produced numerous chart-topping songs. Their captivating performances and live stages have garnered broad public attention. Notably, songs like "Heartbreak," "The Way This Guy Lives," "Bad Girl," and "Remember Me" achieved remarkable success. In their second album, the title track "Chivalry" rose to popularity with the public. Their third album, "Road Fighter," presented a strong and masculine image, captivating fans with their unexpected charm.

In 2016, SECHSKIES resumed their activities under YG Entertainment. They successfully held a solo concert called "Yellow Note" and continued their journey with releases including "Three Words," "2016 Re-ALBUM," "THE 20TH ANNIVERSARY," "ANOTHER LIGHT," "ALL FOR YOU," and "Don't Look Back."

TREASURE



TREASURE, a group formed through member selection in YG Entertainment's survival program "YG TREASURE BOX," made their debut in August 2020. They released three singles and one full album as part of "THE FIRST STEP" series, which collectively sold over one million copies and earned them rookie awards. Since then, TREASURE has continued to achieve success in their artistic endeavors.

In the first half of 2022, TREASURE showcased their enhanced musical abilities through their first mini-album, "THE SECOND STEP." Through concerts and tours, they have grown as the next-generation "performance-oriented artists" of YG Entertainment.

KIM HEE AE



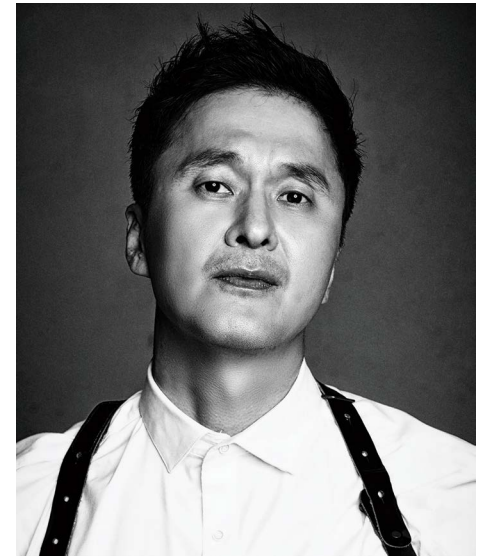
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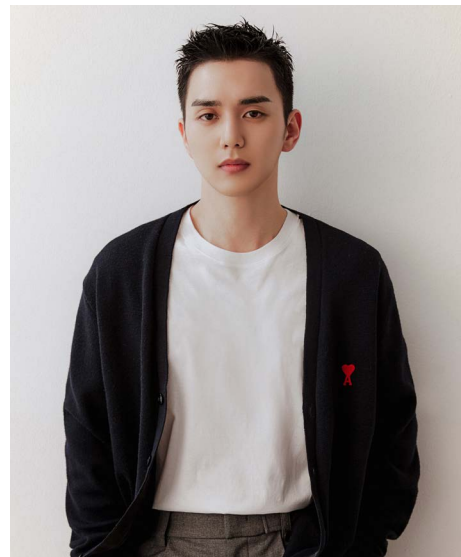
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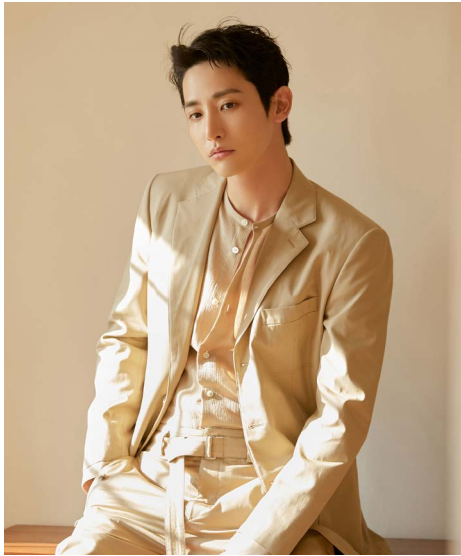
YOO SEUNG HO



CLAUDIA KIM



LEE SOO HYUK



LEE SUNG KYOUNG



JANG KI YONG



SON NA EUN



GYEONG SU JIN



HAN SEUNG YEON



LEE HO JUNG



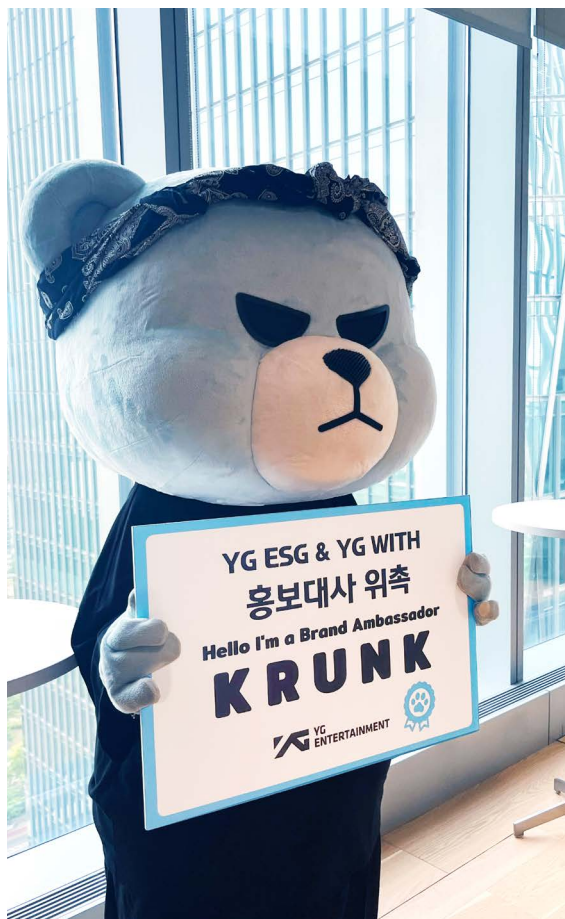
JOO WOO JAE



YG ESG & YG WITH Brand Ambassador

KRUNK





“As a YG artist, my goal is to bring happiness and memorable experiences to fans through music and dance. Moreover, I aim to have a positive impact and contribute to the sustainability of our society and environment.”

Q Please introduce yourself.

A Hello, I'm KRUNK. I began my career as a YG artist in March 2013, appearing in a music video for LEE HI. In 2017, I released my first single album, "I Can't Bear." Recently, I have been focusing on various dance performances.

Q In May 2023, you were appointed as a brand ambassador for "YG ESG & YG WITH (YG's CSR Activities)". What do you think is the reason behind it?

A There may be various reasons, but I believe the main reason is that I have been able to share and connect with culture in a unique way as a "K-pop setter (combination of K-pop and a trend setter)." Through live performances and actively engaging with fans through my love for dance, I have developed a distinct and friendly image. I hope to utilize my strengths to contribute in various aspects to achieving YG Entertainment's goals.

Q You have gained immense popularity and influence on social media.

A Dance is my greatest passion. I love introducing K-pop to global fans and sharing my unique dance style. Social media has become a primary communication channel for me. I am grateful for the tremendous support and love from fans worldwide. It's a privilege to be able to do what I love and receive such appreciation from many people.

Q Lastly, please share your determination as a brand ambassador for YG Entertainment.

A My plan is to provide fans with enjoyable experiences through my dance, music, and engaging content. Simultaneously, I will actively participate in activities that promote positive changes in society and the environment. Sincere communication between YG Entertainment and stakeholders is crucial for sustainable management. As an artist and member of the society, I believe I can make a contribution by bridging the gaps in communication through various music and content. I am dedicated to extending positive influence that contributes to the sustainability of our society and the environment.

2022-2023 ESG Highlights

Establishing ESG Strategy and Vision



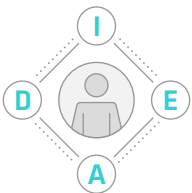
In September 2022, YG Entertainment established an ESG (environmental, social, and corporate governance) strategy aiming to strengthen ethical management and achieve value-driven management, as well as the ESG vision “Impact Beyond Creativity.” The ESG vision reflects YG’s determination and commitment to creating a better world and making a positive impact on YG’s music enthusiasts worldwide. YG Entertainment plans to pursue systematic sustainable management based on three ESG strategic directions of creating environmental value, promoting value of inclusion, and practicing responsible corporate management.

Publishing YG’s First Sustainability Report



In July 2023, YG Entertainment published its first sustainability report, outlining the company’s sustainable management activities and achievements toward building a better world. YG Entertainment plans to publish its annual sustainability reports to actively engage and communicate with stakeholders, providing sustainable management practices, accomplishments, and a direction for the future of entertainment industry.

Establishing DE&I (Diversity, Equity, and Inclusion) Framework



In April 2023, YG Entertainment introduced its own DE&I framework, known as the ‘IDEA Framework,’ with the goal of contributing to a society that respects and values diversity and inclusion. The IDEA Framework focuses on developing representative programs in the areas of inclusion, diversity, equity, and accessibility, targeting key stakeholders such as employees, fans, and artists. YG Entertainment plans to develop and implement various representative programs aligned with the IDEA Framework in the future.

Setting a Roadmap to Achieving Carbon Neutrality



To address the urgency of the climate crisis and contribute to global climate change mitigation efforts, YG Entertainment presented 2040 Carbon Neutrality Roadmap, which sets targets to achieve RE100 by 2025 and carbon neutrality by 2040.

2022-2023 ESG Highlights

Achieving ISO 37301 (Compliance) & ISO 37001 (Anti-Bribery) Management System Certification



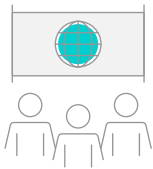
In April 2023, YG Entertainment became the first entertainment company in S. Korea to obtain integrated certifications for ISO 37301 (Compliance) and ISO 37001 (Anti-Bribery) management systems. These certifications underscore the company's dedication to proactively identifying and addressing compliance risks and opportunities, while building stakeholder trust through an advanced anti-corruption management system. YG Entertainment is committed to consistently enhancing its compliance and anti-bribery management systems, raising employee awareness, and implementing compliance principles.

Achieving ISO 45001 (OH&S) Management System Certification



In October 2022, YG Entertainment became the first entertainment company in S. Korea to obtain ISO 45001 (Occupational Health and Safety, OH&S) management system certification. The company has established health and safety policies and goals pursuant to ISO standards to prevent employees from industrial hazards and respond systematically. Moreover, YG Entertainment has developed an organizational structure, manuals, procedures, guidelines, and regulations, and implemented thorough health and safety training and inspections to avert occupational accidents.

Establishing ESG Committee



In November 2022, YG Entertainment established the ESG Committee through a resolution of the Board of Directors. The committee's purpose is to ensure YG Entertainment fulfills its environmental and social responsibilities and achieves sustainable growth and development by maintaining transparent governance. Its responsibilities include preparing response measures to key environmental and social issues, developing and managing ESG policies, and establishing and revising ESG-related regulations.

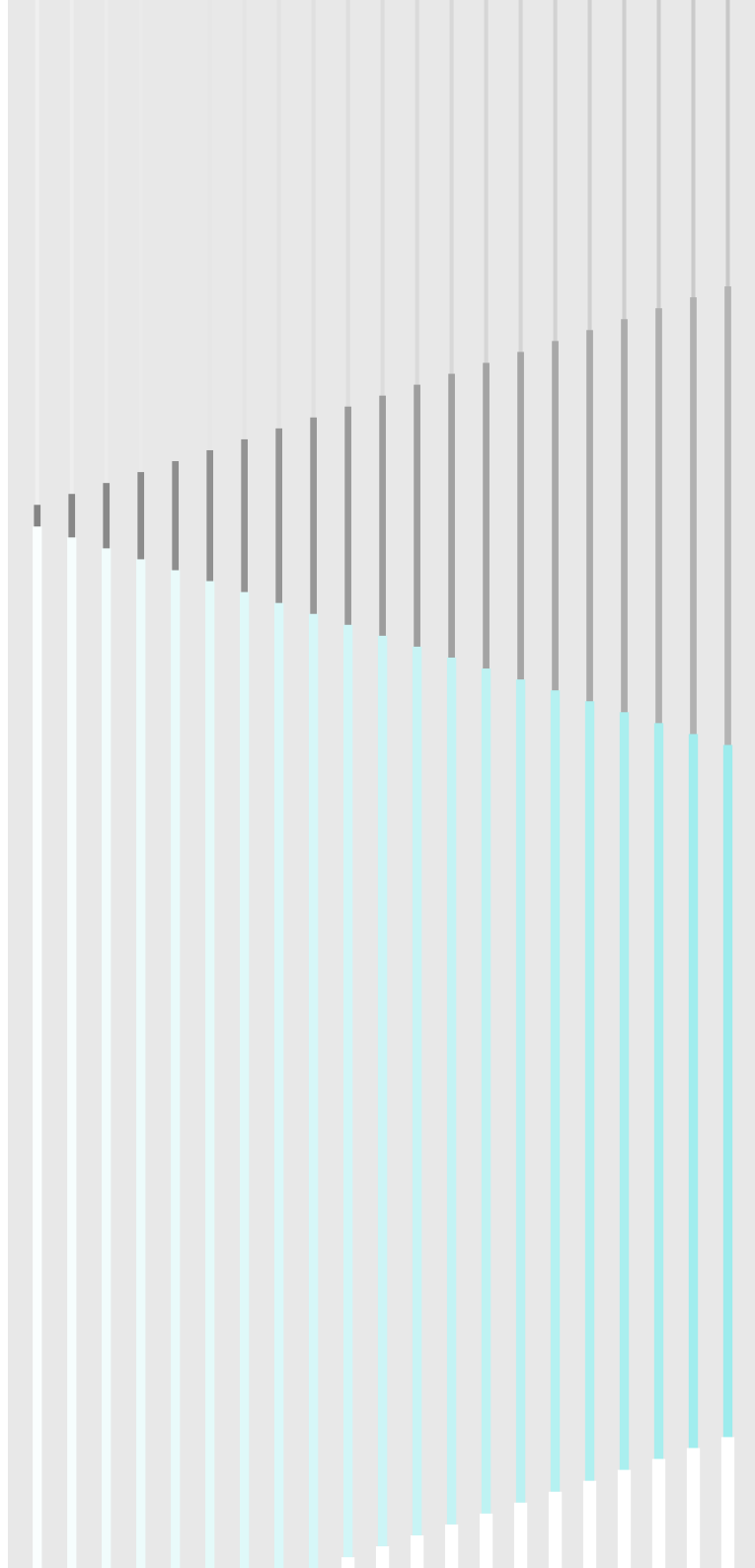
Internalizing Environment-friendly Values in the Workplace



In June 2022, YG Entertainment launched the 'Yes Green Campaign' to foster an environment-friendly organizational culture. As part of the initiative, employees, artists, and partners were provided with reusable tumblers, resulting in a significant reduction in disposable paper cup usage. Additionally, activities including resource circulation promotion campaigns, serving low-carbon diets at the cafeteria, and tree planting events promoting the use of coffee waste pot have been conducted to promote and encourage environmentally conscious workplace.

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ESG in Entertainment Industry

“To create impact beyond enjoyable content experience and make positive influence inducing changes among stakeholders”

The vision aims to lay out direction for YG Entertainment and the entertainment industry.

Amid the public’s heightened interest and demand for ESG management over the past few years, entertainment companies are also suggested to transparently disclose related information while conducting diverse activities to achieve the sustainability of human society and promote sustainable growth to cope with environmental and social issues such as the climate change, pollution, data protection and privacy. In line with entertainment industry’s social influence and effective stakeholder engagement gaining attention, public expectations are high for the entertainment industry in contributing to making a better world through strengthening ESG in management.

The entertainment industry has the power that can lead to a change by delivering meaningful stories. In particular, the content created by the entertainment industry can influence audience behavior and awareness, contributing to creating positive values for shaping a sustainable future society. For example, the content containing environmental issues can influence public awareness of the environment, and also contribute to enhancing diversity and inclusion of our society by representing the voices of the underprivileged.

YG Entertainment will make its best efforts as a member of the entertainment industry to advocate for the positive influences that can bring about changes in stakeholders, as well as providing enjoyable content.

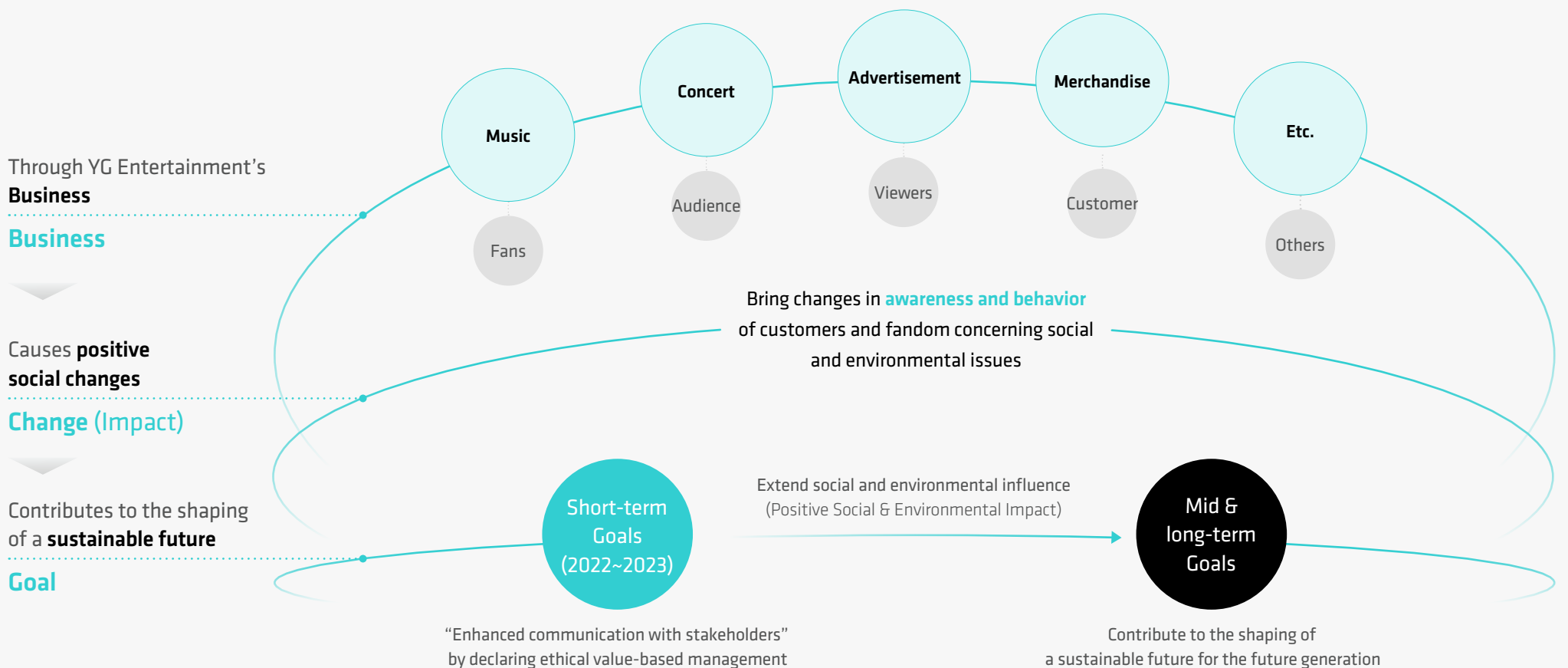


Contributing to a sustainable future society while effecting changes in behavior and raising awareness of stakeholders by creating positive influences concerning environmental and social issues.

Our Approach to ESG

YG Entertainment strives to provide influences that can effect change in awareness and behavior of every stakeholders as to environmental and social issues through its diverse business areas in music, concert, merchandise, intellectual properties etc. To that end, YG Entertainment in the short term plans to strengthen its communication with stakeholders based on practicing ethical principles and value-

based management. YG Entertainment will exerts its best efforts to actively contribute to shaping of a sustainable society for future generations and promote its unique and positive influence based on its capabilities through building a solid foundation for sustainable business and communication with stakeholders.



Our ESG Framework

YG Entertainment plans to advocate positive influence while achieving its short-term ESG goals for 2022 to 2023, which are strengthening ethical management and establishing value-based management, drawn up from three major ESG strategic directions “Responsible Management”, “Promoting Environmental Values”, and “Extending Inclusive Values”. Each asks for these objectives driven by strategic directions mark the beginning of YG’s sustainable management.

YG Entertainment will fulfill its corporate social role and responsibilities by systematically implementing the strategic tasks drawn up from strategic directions, thus contributing to shaping of a sustainable future for the next generations utilizing new values generated by its creative and unique content and cultural influence responsibly.

“Impact Beyond Creativity”


ESG Vision

ESG Goals





Strategic Directions

Responsible Management
Responsible Business Management





YG Entertainment is committed to adopting transparency in business to build public trust.

Inspire Green Entertainment
Promoting Environmental Values

YG Entertainment will contribute to generating environmentally friendly values for the next generation.

Empower Every Voice
Extending Inclusive Values

YG Entertainment will steer the promotion of inclusive values with the public.

Strategic Tasks

- Develop and advance ethical management framework
- Develop and advance ESG governance framework
- Improve ESG Data disclosure and strengthen communication

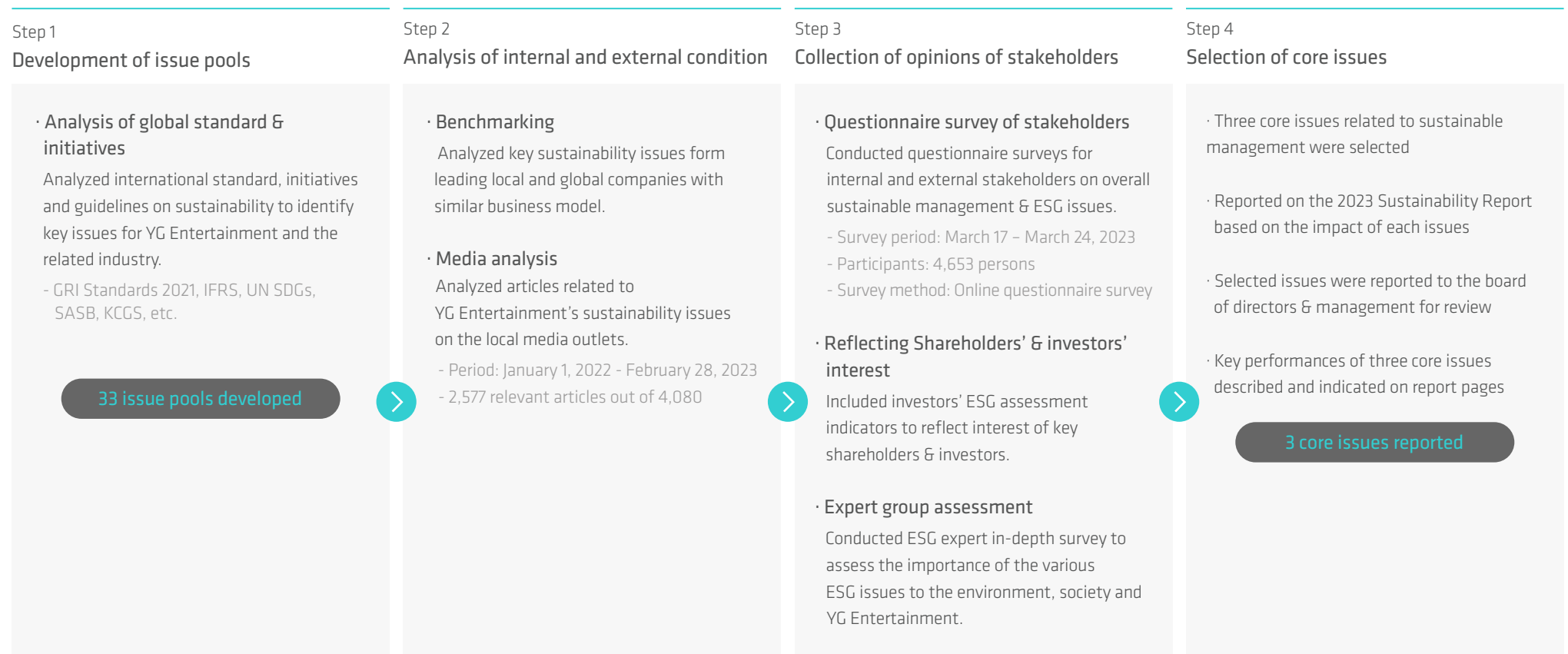
- Achieve carbon neutrality by 2040
- Enhance environmental management systems
- Produce albums and merchandise with reduced environmental impact

- Promote human rights and diversity of artists and employees
- Enhance framework for shared growth and safety management
- Increase corporate social responsibility activities linked with business strategy

Double Materiality Assessment

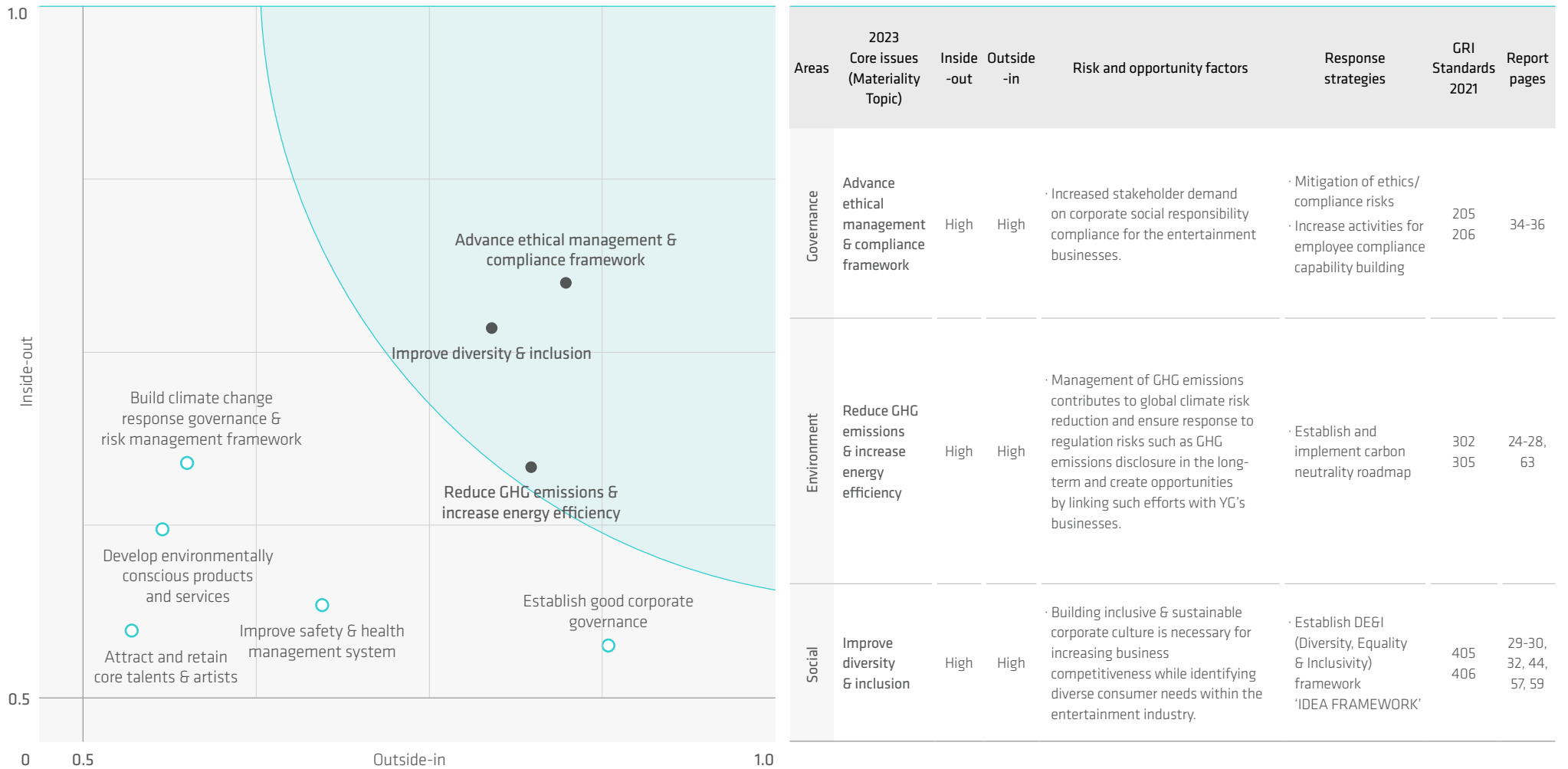
Double Materiality Assessment Process

YG Entertainment has conducted a materiality assessment applying the double materiality concept on various ESG issues concerning environmental, social, economic and governance. It examined the inside-out impact of the ESG issues on social and environmental topics and outside-in impact on its financial values by conducting questionnaire surveys for internal and external stakeholders, media research, and shareholders and investor surveys to analyze their interest. The ESG issue pool have been identified through applying GRI Standards 2021 as well as other global standards and initiatives for ESG disclosure and assessment, besides analyzing internal management conditions and benchmarking the major industry issues.



Double Materiality Matrix

Based on the results of a double materiality assessment, YG Entertainment selected core issues 'Advance ethical management & compliance framework,' 'Improve diversity & inclusion,' 'Reduce GHG emissions & increase energy efficiency' as its core sustainability issues for 2023. The risk and opportunity factors have been analyzed for each core issues selected, developed response strategies for systematic management and transparently reflected related activities and performances in 2023 YG Entertainment Sustainability Report.



Our Sustainable Story: Inspire Green Entertainment

Positive influences for responding to climate change



Diverse environmental problems threatening human survival are continually worsening due to pollution of environment, exhaustion of resources, rising sea level, and other signs of climate change. The climate change has become the current crisis rather than a remote future threat.

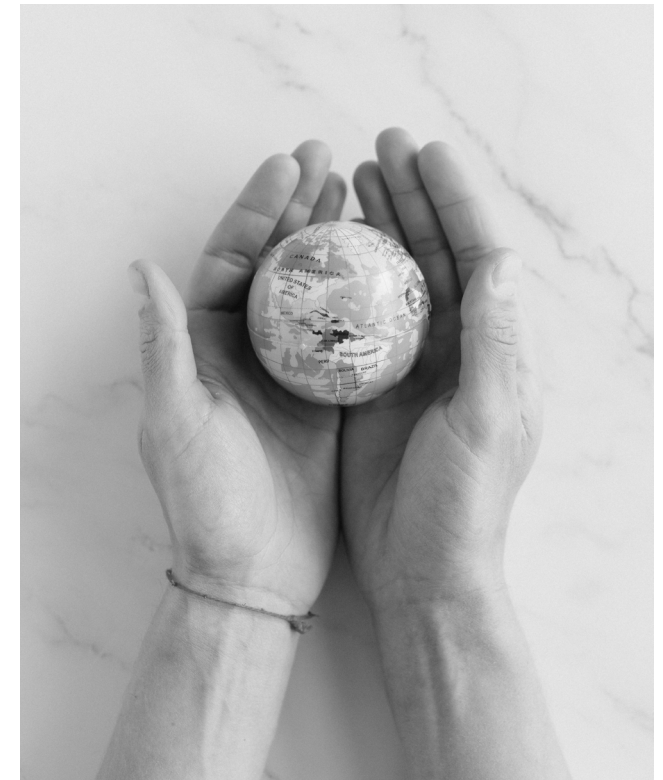
The Third Conference of Parties to United Nations Framework Convention on Climate Change (UNFCCC COP3) held in Japan in 1997 has adopted Kyoto Protocol, which stipulates 38 advanced countries to reduce their GHG emissions by 5.2% average from 1990 in the first commitment period (2008-2012).

The Paris Agreement adopted by the 21st Conference of Parties to United Nations Framework Convention on Climate Change (UNFCCC COP21) held in 2015 stipulates not only advanced countries but also all parties to participate in climate actions to limit the rise of the average global temperature to 1.5°C to be maintained at a much lower level than 2°C previously stipulated in the Kyoto Protocol.

The paradigm of business management needs to be converted for the international cooperation system to be strengthened steadily for responding to climate change. On an unprecedented level, all businesses are required to deploy new business models by analyzing the risks and opportunities that climate change will have on their business management and innovating their products and services to generate revenues.

In 2023, YG Entertainment developed its 2040 carbon neutrality roadmap, realizing its necessity for efforts to enable the entertainment industry and society to develop in a clean sustainable global environment, based on its responsibility and duty as a corporate citizen constituting our community.

YG Entertainment will actively respond to climate change by minimizing negative influences that may occur on the environment in all its business activities by implementing an authentic carbon neutrality roadmap.



Good influence on raising awareness of the climate change effects

UN COP26 Advocacy Activities

BLACKPINK began participating in the journey to preserve the planet as Advocates for the 26th session of the Conference of the Parties (COP 26) to the UNFCCC. In December 2020 “Climate Action in Your Area #COP26” co-produced with the British Embassy in Korea was presented at the Climate Ambition Summit 2020, co-hosted by the UK, France and the UN. BLACKPINK also took part in helping to encourage increased involvement from the global community by delivering a message of change by all of us for a better future at World Leader’s Summit hosted by the UK prime minister in November 2021.

UN Sustainable Development Goals (SDGs) Advocacy Activities

In September 2021, UN Secretary-General António Guterres appointed the BLACKPINK group members as Advocates of Sustainable Development Goals in promoting activities to encourage the youth around the world to start actions to protect the planet. The advocates perform the roles of promoting participation in the actions geared to the UN-set 17 common goals for the international community by spotlighting their importance. BLACKPINK has strived to deliver the message concerning education in response to climate change and protection of environment.

“We truly believe in the importance of collective action. We will only be able to make a difference when we come together, for the good of everyone. Now is the time to act for a safer tomorrow and a better future.”

BLACKPINK

K-Pop Girl Group
SDG Advocate



SUSTAINABLE DEVELOPMENT GOALS | ADVOCATES

BLACKPINK appointed as the advocates for UN SDGs

Delivering a speech at Google’s ‘Dear Earth’ campaign

BLACKPINK was the only K-POP artist to be invited to participate in the ‘Dear Earth,’ a event to share ways to solve climate change released on YouTube Originals in October 2021. BLACKPINK delivered their message encouraging all fans worldwide to “unite and work towards the collective goal of saving the Earth,” which offered a deep resonance including a touching stage performance portraying a beautiful nature.



[BLACKPINK, Special speech for Google “Dear Earth” forum](#)

Delivering a video message at the 2022 SDG Moment

BLACKPINK led the climate change corner of the UN High-Level Week’s SDG(Sustainable Development Goals) Moment session in 2022 by delivering a video statement as part of the event attended by the UN Secretary-General, national summits, and senior leaders from various fields. BLACKPINK continued to promote good influences in a video statement by delivering message urging for environmental awareness and learning about the environmental issues.



[BLACKPINK, SDG Moment](#)

“Sea of Hope”, a sustainability-focused reality show program

In August 2021, YG Entertainment’s artists Rosé(BLACKPINK) and Lee Su-hyun(AKMU) took part in activities promoting the importance of responding to climate change and protecting the global environment by appearing in “Sea of Hope,” a JTBC-aired reality show program featuring content about sustainability. Rosé and Su-hyun shared the purpose of the show, advocating a zero-waste lifestyle, ocean cleanup and plogging(combination of jogging and picking up litter) activities while singing with the audience who visited the beach.

“Eco Friends”, Seoul International Eco Film Festival

In May 2022, YG Entertainment’s actor Jang, Hyun Sung was appointed as “Eco Friends”, an environment ambassador for the 19th Seoul International Eco Film Festival(SIEFF). SIEFF is a global film festival held in Seoul on World Environment Day(June 5) every year to introduce Korean and international films that address environmental issues. Those with high interest in environmental and social issues as well as good reputation and high popularity and trust and are appointed as “Eco Friends” each year. Jang, Hyun sung has performed roles of encouraging citizens with environmental films to become more eco-friendly in everyday life.

Artists’ environment protection campaigns

YG Entertainment is committed to taking action to protect our planet and raising awareness of the need to protect the environment working with its artists and actors. In April 2022, WINNER encouraged the need for greater awareness of climate change, in celebration of Earth Day and in June 2023, and TREASURE also made a promised to make efforts to make positive influence on environmental protection on World Environment Day.



[WINNER's video message for World Environment Day](#)



[TREASURE's video message for World Environment Day](#)



[19th Seoul International Eco Film Festival introduced by Jang, Hyun Sung - YouTube](#)

YG Entertainment 2040 Carbon Neutrality Roadmap

2040 Carbon Neutrality Roadmap

In June 2023, YG Entertainment released its roadmap for achieving carbon neutrality by 2040, which included a pledge to support international efforts to address the climate crisis. To attain carbon neutrality in 2040, YG plans to achieve RE100¹⁾ company-wide by 2025 and reduce its GHG emissions by 65% from 2022 levels by setting up an interim-goal for 2030. To attain these set goals, YG intends to actively adopt currently available methods while also introducing technologies or equipment that are not immediately available in the medium to long term basis.

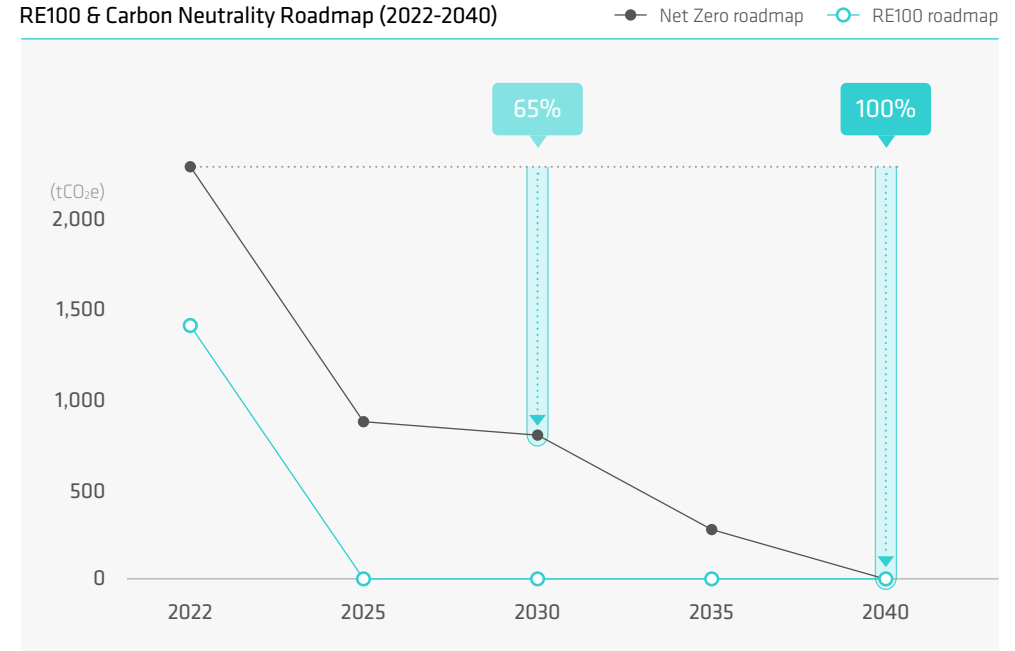
In a short term basis, YG will reduce city gas and electric power consumption at its office buildings through energy conservation efforts and gradually increase investment in energy efficient equipment in the mid- and long term. LED lights have already been installed in more than 95% of the lamps in YG's new head office building. YG is also working to promote voluntary energy-conservation activities for its artists and employees, and plan to replace internal combustion engine vehicles (ICEVs) with low-carbon vehicles (LCVs) such as electric vehicles (EVs) in a gradual phase.

To attain RE100, YG plans to actively employ all available means, including in-house power generation. It has already replaced some of its electric power with solar energy by installing building integrated photovoltaic (BIPV) systems in 2019 and plans to achieve its goals of RE100 and carbon neutrality with Green Premium²⁾, purchasing Renewable Energy Certificates(RECs), and through Power Purchase Agreement(PPA)³⁾ and remaining emissions will be covered by purchasing carbon offset credits⁴⁾, emissions permit trading.

YG has collected and managed GHG emissions data for each of its business sites as part of its efforts to reduce GHG emissions by installing a GHG inventory system at its new head office building and 15 other business sites. In addition, it adopted third-party accreditation practice to improve the accuracy and credibility of GHG emissions data verification and plans to further enhance internal and external verification and reviews periodically. YG Entertainment will keep fulfilling its role to contribute to the global response to the climate crisis, and periodically improve its reduction plans by closely monitoring climate change policies, market and technology trends.

- 1) RE100: The objective to replace 100% of the electric power consumption with new and renewable energy
- 2) Green premium: A scheme under which an electric power consumer voluntarily buys power by paying a premium over the existing rate for the additional cost of choosing a clean technology over one that emits more greenhouse gases
- 3) PPA: Power Purchase Agreement under which the power supplier and the user transact renewable energy directly
- 4) Carbon offset credits: Carbon credits converted for reduction from external projects

RE100 & Carbon Neutrality Roadmap (2022-2040)



2022 GHG Emissions Reductions Progress (y-o-y)



2022 Energy Reduction Progress (y-o-y)



* 2022 GHG emissions reduction target: 2% or more over the prior year

* 2022 Energy reduction target: 2% or more over the prior year

Our Sustainable Story: Empower Every Voice

Strengthening stakeholder communication through responsible management



Flexible corporate culture where diversity, equality and inclusion are valued is essential for sustainable growth of a business. The unexpected global challenges and uncertainties from the fast changing business environment require new values derived from talents with diverse ideas and backgrounds freely taking on challenges and competition rather than following the past practice.

The origin of YG Entertainment's creativity is in its corporate culture where diversity across all its members are valued and respected. All of its members strive to create new content based on diverse experiences amid a horizontal work culture.

YG Entertainment, through the power of creative content will strive to bring inspiration to unite people beyond nationality, race and cultural barriers to make our society a better place.



YG's 'IDEA FRAMEWORK' to build successful DE&I (diversity, equality & inclusion) initiative

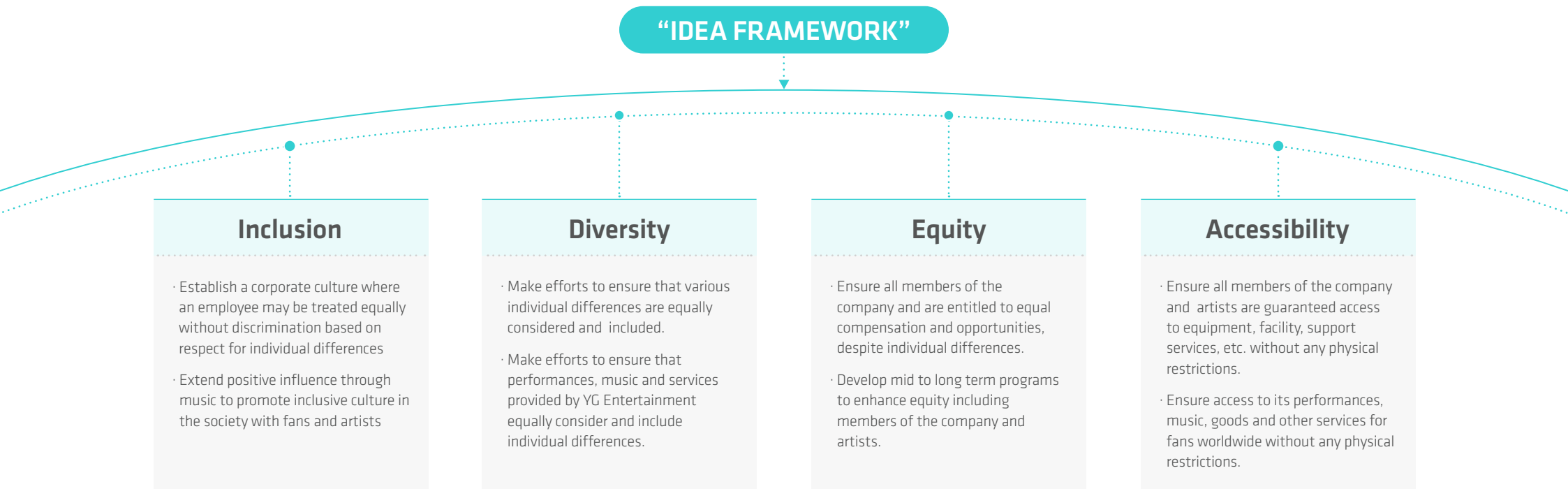
In April 2023, YG Entertainment established its DE&I (diversity, equality, inclusion) initiative 'IDEA FRAMEWORK' in helping to build a society that embraces diversity and inclusion through YG's content and cultural impact.

"IDEA" is an acronym for 'inclusion,' 'diversity,' 'equity,' and 'accessibility,' which are elements constituting YG Entertainment's DE&I. At the same time, it also implies a liberal meaning "something that is not capable of being changed or altered depending on time, space, state, or experience."

YG Entertainment's DE&I framework outlines its commitment to always respect and value all stakeholders, including artists, employees and fans without any discrimination including religion, culture, language, and identity etc.

To successfully demonstrate the commitment, YG Entertainment held an internal workshops to discuss with relevant divisions the concept of diversity and inclusion, major global and local trend, best practice cases and have drawn up feasible DE&I programs based on industry-specific experience and internal issues.

In the future, YG Entertainment plans to select representative programs based on the key DE&I programs and carry out each representative programs from a mid to long-term perspective.



Corporate culture where all are respected

Culture of mutual respect

YG Entertainment aims to create a sound and creative workplace environment where its employees are engaged with their work, think proactively and perform their expertise. To that end, it has implemented an appellation based on job titles since March 2023. When a person has no title, he/she is called with "Nim (honorific appellation)" after a name. To internalize the 'Nim' appellation, YG Entertainment held YG Writing Contest for its employees in March 2023. A total of 46 employees participated in the contest with 102 phrases and 10 were selected as winners, which were announced through internal groupware.

Moreover, the company strives to promote the appellation culture through internal communication encouraging all stakeholders, including the newly hired, to use 'Nim' title and gave out 'Nim stationary kit' including individual name cards, alphabet and brand stickers for customization.

YG Entertainment will continue its efforts to create a corporate culture where all stakeholders work independently and voluntarily in based on active communication and respect for its people talent.

An Announcement of 'Nim' culture

우리는 이제 누구나 전문가로 있습니다!

“ 님 ”

2023년 3월, YG의 호칭이 단순화 됩니다.
직책자의 경우 직책호칭으로, 미직책의 경우 '님'으로 통합됩니다.

직위제를 폐지하여 개인의 업무 전문성과 역량을 발현하고, 누구나 전문가로 성장할 수 있는 YG만의 창조적인 조직문화를 구축합니다.

YG Writing Contest

YG 백일장

도전 신춘문예

'님'과 본격적으로 친해지기

우리 모두가 "ㅇㅇ님"을 쉽게 사용하는 그날까지!
'님'문화 정착에 도움 주실 YG 카피라이터를 찾습니다.

응모주제: '~님'을 소재로 한 문구 작성 (IP: 요청제외 의미: 전문성 / 존중 / 효율 그리고 위트)
응모분야: 시 / 명대사 패러디 / N행시 등 최종 10개 문구 선정 (인당 응모 가능 횟수: 3회)
응모기간: 3월 3일(금) ~ 3월 17(금) 이심샷시 요일 구분까지
심사방법: 1) 최종 접수된 내역 중 1차 전로 후 주제에 적합한 문구 20개 작품 선정 (~3/21)
2) Google survey를 통해 전사 임직원 투표 진행 (3/22~3/29)
당선발표: 4월 첫째 주 월요일 시작으로 매주 2개의 당선작 그룹웨어 공개 예정 (동수 무관)
※ 시상식 일정은 당선자에게 별도 안내 예정

'Nim' Stationary Kit

YG 모두가 '님'머드는 그날까지!
'님'문화와 더더욱 친해질 수 있게 '님' 키트를 준비했습니다!

모두의 이름이 새겨진 특별한 키트예요!

Efforts for promoting culture respecting human rights

Development of human rights policies

YG Entertainment supports the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work, and other international standards and guidelines concerning human rights and labor, and strives to comply with domestic statutes that reflect such principles. As part of these efforts, YG has enacted its human rights-based management policies in April 2023 to proactively prevent risks related to human rights that may arise in its business activities. YG's human rights-based management policies are applied to all of its affiliated companies at home and abroad, and have been disclosed on its website.

YG's Entertainment Led Human Rights-Based Management Processes



[YG Entertainment Human rights-based management policies](#)

Protection of artists' human rights

In January 2023, YG Entertainment carried out its "Fan Etiquette Campaign" for respecting human rights and safety of its artists as a part of its human rights-based management. Expressing gratitude for the support and love from the fans, YG's Fan Etiquette Campaign shared five guidelines for fans to follow. YG asked for fans' active participation on the campaign and cooperation on creating a sound fan culture for protecting the human rights of its artists.

Information on Fan Etiquette Campaign

- ① Please refrain from unauthorized visits to artists personal spaces (dorm, practice center, etc) and unofficial schedule sites.
- ② Leaking or being paid to trade artists personal information and unannounced schedule information is strictly prohibited.
- ③ Please refrain from acts of stalking such as obtaining contact details of the artist, the artists family, or friends, and constantly contacting them through calls and texts and physically following them.
- ④ Please refrain from chasing after moving vehicles carrying the artist and attempting to overly touch them.
- ⑤ Do not spread malicious rumors based on incorrect and groundless facts, and make malicious comments that include swear words and sexually disparaging remarks.

Moreover, YG Entertainment regularly monitors acts of publishing false ungrounded information or malicious rumors concerning its artists and actors, and trolls that include such indiscriminate content as profanity and sexual insults or comments. It takes various measures, including takedowns, for identified malicious content.

YG Alimi (Reminder)

YG Entertainment plans to introduce YG Alimi (Alert), an efficient communication channel with family members of its under-aged artists to protect their human rights, education, safety, etc. more actively. YG Alimi channel will include content such as information concerning various educational or training courses for under-aged artists, their performance schedules, safety, management team in responsibility, and internal departments related. The channel will also include information concerning health information of under-aged artists, their protection from trolls, and information concerning the residence permit for non-resident foreign artists. YG Entertainment works to implement effective and efficient processes in order to finish the channel's launch by 2023.

Programs for preventing violations of human rights

YG Entertainment accepts human rights-related complaints or grievances on a regular basis through its internal whistleblowing system (WBS), allowing its culture of respect for human rights to take root deeply in the values of shared prosperity and mutual respect. The processes for counseling and reporting grievances related to human rights are disclosed on the company's internal groupware bulletin board that provides access to all its employees. When human rights-related grievances are submitted, it is treated actively and fairly to seek for solutions to resolve them. In 2022, one case of human rights violation was reported due to violation of the corporate code, and the relevant person was disciplined with a one-month suspension through a resolution of the Personnel Committee.

Number of Human Rights Violation Cases Reported and Handled

Classification	Unit	2020	2021	2022
No. of reported cases related to human rights	Cases	0	0	1
No. of treated cases related to human rights	Cases	0	0	1

Details of Violations of Human Rights Statutes

Category	Unit	2020	2021	2022	
Violation of human rights-related statutes	No. of violations	Cases	0	0	0
	Administrative fine	KRW 1,000	0	0	0
	Penalty		0	0	0

Education programs

YG Entertainment conducts on/offline education and training on prevention of workplace bullying, sexual harassment, and improving awareness concerning people with disabilities in diverse content formats each year to prevent risks related to human risks that can take place in the workplace while enhancing all stakeholders' awareness of human rights.

Our Sustainable Story: Responsible Management

Enhancing Communication with Stakeholders through Responsible Management



Interest in and demand for businesses' social responsibility have grown globally as a result of their growing social influence. The development of business systems for ethical and compliance-based management has become increasingly important for achieving corporate social responsibility and sustainable growth. This entails greater management openness, the development of a moral business culture, and the examination of compliance risks. The development of business systems for ethical and compliance-based management has become increasingly important for achieving corporate social responsibility and sustainable growth. This entails greater management openness, the development of a moral business culture, and the examination of compliance risks.

With these trends, YG Entertainment also strives to communicate with its stakeholders transparently for responsible management by prioritizing the ethical and compliance management principle as value in all of its business activities.

YG Entertainment will strive to become an enterprise trusted by its stakeholders by setting the standards for normative judgment and moral values, while complying with statutes and norms as employees of the entertainment industry. To that end, it has amended its ethics charter that was developed to provide guidelines on actions for the employees to follow to make it more suitable to YG and the entertainment industry. It also obtained the integrated certifications for Compliance management system(ISO 37301) and Anti-Bribery management system(ISO 37001) to improve its ethical and compliance-based management system and was the first case among entertainment businesses in Korea.



Instituting Trusted Business Management System

Amending ethics charter

YG Entertainment amended its ethics charter in December 2022 to ensure business management is trusted by its stakeholders, which includes guidelines of desirable behavior and value judgment that the company and each of its employees must adhere to. The ethics charter and other ethics and compliance-related policies are disclosed on the YG's internal bulletin board, so that the employees may access at any time. Its employees sign acknowledgements of its code of ethics compliance with the ethics charter each year renew their commitment to practice the charter.

YG Entertainment Ethics Charter

Table of Contents of Ethics Charter	Key Contents of Ethics Charter
Chapter 1 General provisions	<ul style="list-style-type: none"> · Faithful performance of duties. · Do not use the company's assets for personal purposes, including its intangible assets. · Do not commit any unlawful acts (provision of money, entertainment, hospitality, etc.) to fellow employees in connection with duties. · Adherence to fair sound trading order. · Advocate a corporate culture of mutual respect and trust.
Chapter 2 Responsibilities as employees	
Chapter 3 Responsibilities toward customers	<ul style="list-style-type: none"> · Customer-oriented management · Protection of customers' information
Chapter 4 Company's responsibilities toward employees	<ul style="list-style-type: none"> · Respect for human rights and prohibition of discrimination based on gender, educational background, religion, physical handicap, or similar reasons. · Provision of education opportunities and healthy work conditions.
Chapter 5 Responsibilities toward shareholders and investors	<ul style="list-style-type: none"> · Achieving healthy profit through transparent efficient management. · Protection of shareholders' rights. · Protection of information concerning shareholders and investors.
Chapter 6 Responsibilities toward business partners	<ul style="list-style-type: none"> · Win-win management through fair trading · Protection of information concerning business partners
Chapter 7 Responsibilities toward its artists	<ul style="list-style-type: none"> · Respect of human rights and safe environment · Protection of under-aged
Chapter 8 Responsibilities toward the global community	<ul style="list-style-type: none"> · Respect of human rights and diversity · Compliance with local and global statues · Eco-friendly management · Contribution to the local community as a corporate citizen
Chapter 9 Counseling on and reporting of ethics cases, and protection of whistleblower/ reporters	<ul style="list-style-type: none"> · Operation of channels for counseling on and reporting ethics cases

[YG Entertainment Ethics Charter](#)

Internal Whistleblowing System (YG WBS)

Employees of YG Entertainment may report or have counseling on unlawful acts in the course of duties or acts violating the company's ethics charter, policies, regulations and guidelines through YG's whistleblowing system (YG WBS) at any time. The whistleblowers should report the violator(s) and violation details together with supporting information or evidences anonymously. However, reports can be made disclosing the whistleblower/reporter's name at his/her option. When a case is reported through the WBS, the Audit Department speedily responds based on the given procedures. It is strictly prohibited for any employee to reveal or leak the identity of the whistleblower/reporter, even becoming aware the case by accident or while carrying out their duties. In 2022, there were zero instances of anti-corruption, unfair practices, or violations of compliance or ethical management policies or regulations. In addition, employees of YG Entertainment may always report their individual grievances (concerning working environment, peer relations, or other complaints) through WBS as well as information concerning the company's ethics charter, policies, regulations and guidelines. YG collects opinions of its employees on the corporate culture, environment, etc. through diverse in-house communication programs such as taskforce activities within the same job position, professional psychological counseling, employee opinion survey, etc. even if employees do not report grievances through the WBS.



YG WBS

Internal Grievance Management Processes

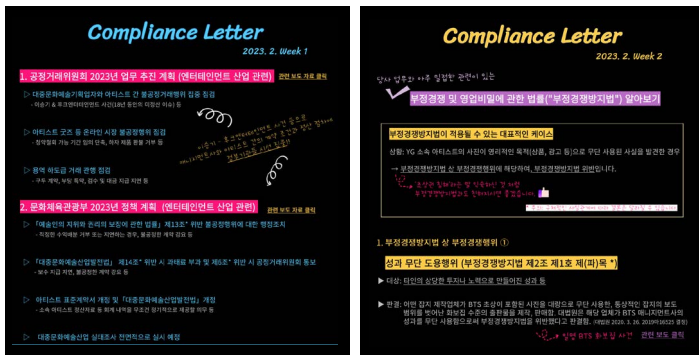
<p>Counseling and perception (reception)</p>	<ul style="list-style-type: none"> · Reception method: face-to-face interview, messenger service, phone call, email
<p>Counseling and investigation</p>	<ul style="list-style-type: none"> · Cases reported through the WBS are investigated by the department responsible for auditing · Individual or department interview depending on cases (the proceedings are kept confidential in principle)
<p>Resolution or settlement actions taken</p>	<ul style="list-style-type: none"> · Internal procedure(informal): Counseling with parties or people related · Internal procedure(formal): Resolution or settlement based on company regulations and personnel committee procedures
<p>Constant monitoring</p>	<ul style="list-style-type: none"> · Establish work environment to protect the whistleblower and post-grievance recovery · Work on preventing recurrences and improvement of overall corporate culture and systems · Conduct periodic monitoring of prevention and response systems

Programs to mitigate risks related to ethics and compliance

YG Entertainment's compliance department monitors laws, policies, etc. that have a bearing on its overall management to prevent risks related to violations of ethics charter and statutes. Information obtained through monitoring is notified to the relevant departments regularly to help members familiarize themselves, comply with, and manage revised laws and regulations in the course of their work. In addition, the company mitigates ethics and compliance risks that may arise in all of its business activities by conducting ethics/compliance awareness and capacity building activities for its employees and artists.

Compliance Letter (to Employees)

YG Entertainment publishes the Compliance Letter to all of its employees every week to enhance awareness and competencies of ethics and compliance. The Compliance Letter enhances employees' understanding of ethics and compliance by dealing with timely topics directly related to their duties, including unfair trading, anti-corruption, the Improper Solicitation and Graft Act, and protection of intellectual property rights.



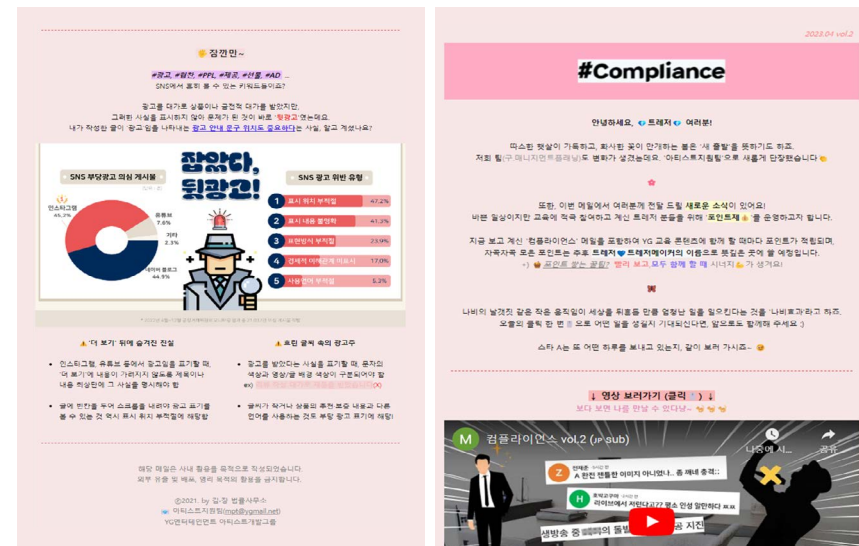
Compliance Letter to Employees

Compliance education

YG Entertainment makes efforts to provide internal training/ education to enhance its employees' awareness and competencies related to ethics and compliance. From April to December 2022, the company provided training/ education to 128 newly hired employees on fair trading and anti-corruption. It plans to conduct compliance training/ education more than once a year from 2023.

Compliance Content (For Artists)

YG Entertainment has provided Compliance Content to its artists once every other month from February 2023. Compliance Content deals with issues related to ethics and compliances that may arise in artist's entertainment activities, including defamation, insults, assault, the Information and Communications Network Act, and precautions when writing on social media. All members of the group TREASURE showed high participation viewing the first edition of Compliance Content, recording a 100% reading rate. YG Entertainment artists are actively participating in its ethics and compliance-oriented management, and will continue its efforts for creating a and positive impact for the society.



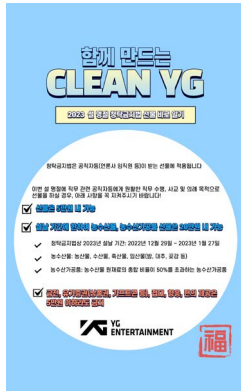
Compliance content for Artists

Compliance Officer

In 2023, YG Entertainment appointed its compliance officer and developed compliance control standards through its ESG Committee. The compliance officer manages and inspects possible legal risks such as human rights, fair trade, anti-corruption, and intellectual property rights, and reports to the ESG Committee after assessing the company's systems and inspecting its compliance.

Clean YG Campaign

To create a clean and fair corporate culture, YG Entertainment launched Clean YG Campaign in September 2022 on topics such as compliance with the Improper Solicitation and Graft Act, mitigation of ethics and compliance-related risks by promoting WBS system, prevention of harassment in workplace, and respect of human rights and diversity of employees. The campaign has contributed to the enhancement of the entire employees' awareness of ethics and compliance management by holding the campaign regularly and when necessary as depending on topics and content.



Campaign to inform the Improper Solicitation & Graft Act



Etiquette Campaign on making clean and fair culture

Clean YG Campaign	Improvement activities
Improper Solicitation and Graft Act Campaign	YG Entertainment regularly holds campaigns to inform its employees of the standards of the Improper Solicitation and Graft Act before News Year and Chuseok holidays to ensure that they comply with the Act by not accepting holiday gifts or other unlawful rewards from stakeholders.
YG WBS Promotion Campaign	In September 2022 and March 2023, YG Entertainment held WBS outreach campaigns to proactively identify and eliminate possible ethics and compliance risks by promoting use and access to the employees.
Campaign to prevent workplace harassment	In September 2022, YG employees' participated in creating a relay video clip on workplace anti-harassment, showing declaration of standing against workplace harassment to contribute to creating a healthy corporate culture that respects human rights and diversity.
Workplace Etiquette campaign on making a clean and fair culture	In September 2022, YG Entertainment launched a campaign proposing etiquettes to be followed mutually to respect the human rights and diversity of the individual employees.

Obtaining Certification of ISO 37301(Compliance Management) and ISO 37001(Anti-Corruption Management) Systems

In April 2023, YG Entertainment obtained the integrated certification of ISO 37301(Compliance management) and ISO 37001(Anti-Corruption Management) systems and became the first company to achieve it within the industry. It established a control system identifying compliance and corruption risks proactively led by internal reviewers trained and personnel selected by departments to adopt and install compliance and anti-corruption management systems. It has derived improvement tasks by diagnosing areas prone to risks preemptively. YG Entertainment will continue its efforts on enhancing and internalizing employees' awareness of compliance while enhancing its compliance and anti-corruption oriented management system built based on such improvement tasks.



Receipt of the integrated certification of ISO 37001 and ISO 37301

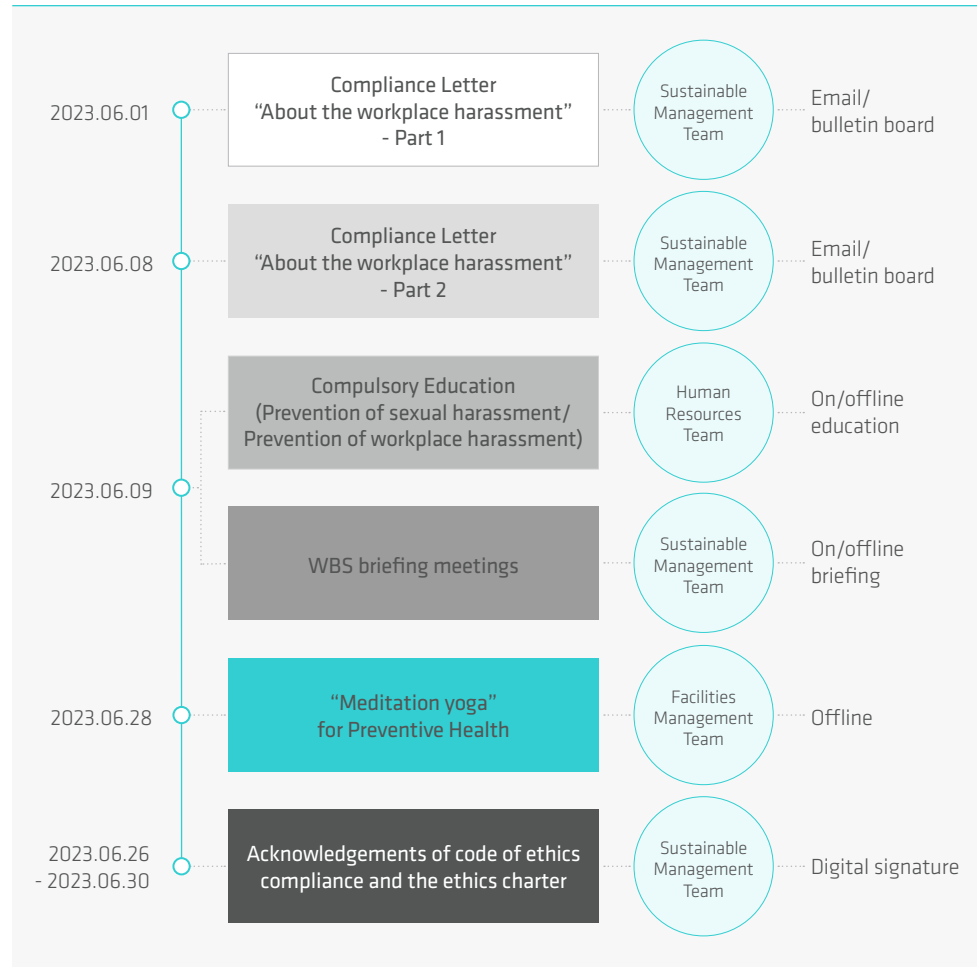
Violations of Statutes related to Business Ethics

Classification	Unit	2020	2021	2022	
Violation of anti-corruption-related statutes	Number of violations	Cases	0	0	0
	Administrative fine	KRW 1,000	0	0	0
Violations of statutes related to anti-monopoly & anti-competition practices	Number of violations	Cases	0	0	0
	Administrative fine	KRW 1,000	0	0	0
	Penalty		0	0	0

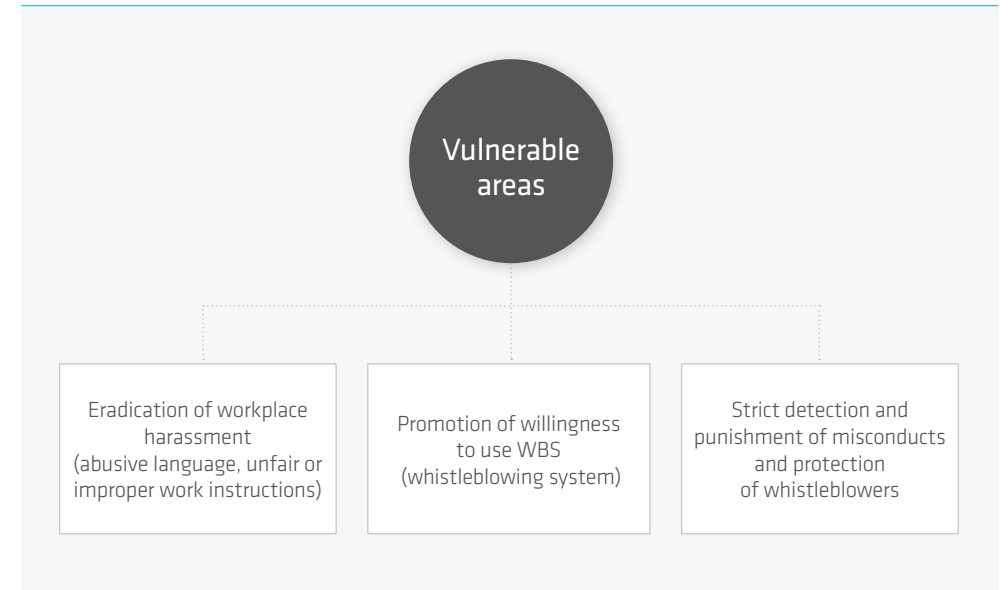
Self-survey on awareness of ethics charter

YG Entertainment conducted a self-survey on awareness of its employees' ethics charter to mitigate ethics and compliance risks. Meanwhile, it has enhanced the internal ethics awareness and improved vulnerable areas in its ethical and compliance management.

Follow-up actions



For the issues concerning the vulnerabilities found through the survey conducted in April 2023, the company is working to improve in collaboration with the related departments and shared the relevant information with all its employees.

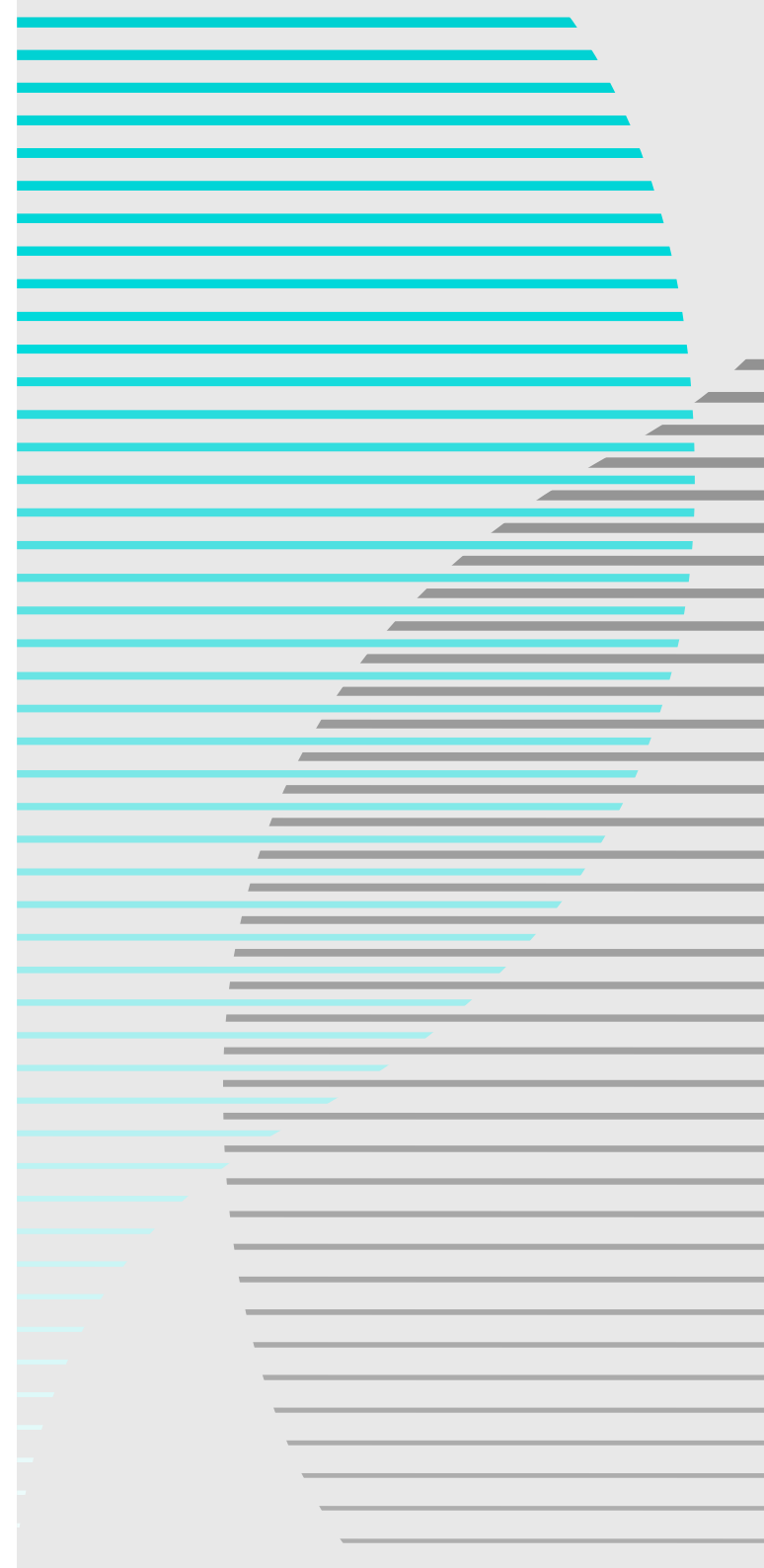


Protecting intellectual property rights

YG Entertainment has made every effort centered on its departments responsible for legal affairs and compliance to secure and protect intellectual properties (IPs) which are its key assets. Since 2020, YG Entertainment has actively carried out activities to protect its intellectual property rights throughout the world. Internally, it has conducted intellectual property rights training and education on subjects in copyright, trademark rights, and unfair business practices. In addition, it has established a department dedicated to inspection of content to proactively check and prevent all possible risks, including those related to copyright infringement, without infringing rights attributed to others.

ESG Factbook: Our Responsibility

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Environmental Management

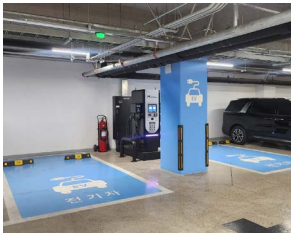
Environmentally conscious workplace

YG Entertainment strives to provide its employees with a healthy workplace by minimizing the negative impact of buildings and structures on environment. In particular, its new office building located in Hapjeong-dong, Mapo-gu, Seoul has been highly recognized for its efforts in managing energy, environment pollution and water recycling, etc. It was rated by Korea Institute of Building Energy Technology as 1st Class Energy Efficiency Building and by Korea Green Building Council as a green building (excellent, Green Grade 3). YG Entertainment will continue its efforts for developing an eco-friendly workplace.



Certificate of building Green building energy efficiency grade

Deploying electric vehicle infrastructure



YG Entertainment built electric vehicle charging infrastructure in its building in 2022 as part of its efforts to lower GHG emissions and practicing environmental management. Electric vehicle batteries can be recharged up to 80% within one hour upon recognition of the RF (Radio Frequency) card registered on electric vehicle chargers installed at the underground parking area of the new office building. YG Entertainment plans to further create an environment where its employees can actively participate in environmental management activities, including the company's response to climate change.

Status of electric vehicle infrastructure facility

GHG emissions

As of 2022, the volume of GHG emissions (Scopes 1 & 2) by YG Entertainment was 2,280tCO₂e, 3.1% decrease from 2,352tCO₂e in 2021. YG Entertainment plans to continue its efforts to actively reduce GHG emissions from its business sites by implementing environmental management, including the installing electric vehicle infrastructure and building integrated photovoltaic (BIPV) systems.

GHG Emissions¹⁾

Classification	Unit	2020	2021	2022
Scope1	tCO ₂ e	684	993	879
Scope2	tCO ₂ e	991	1,359	1,400
Total (Scope 1+2)	tCO ₂ e	1,675	2,352	2,280

1) YG Entertainment's GHG emissions volume increased in 2021 as it settled into the new office building in 2020 and its overall business activities grew.

Energy Usage

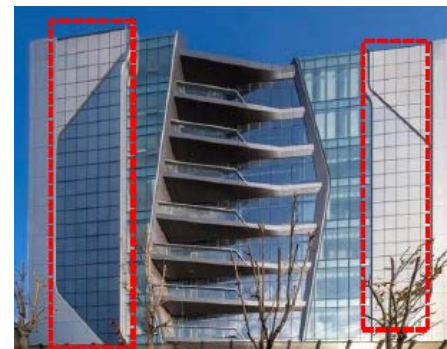
As of 2022, YG Entertainment consumed a total of 44.44TJ energy, and 42.08TJ out of it was consumed at its new office building. To steadily reduce energy consumption, YG has been generating renewable energy using solar panels installed on its new office building. As of 2022, the amount of renewable energy generated from the solar panels was 0.82TJ or 1.85% of the total energy consumed at the new office building.

Energy consumed

Classification	Unit	2020	2021	2022
Gas	TJ	3.02	8.38	6.25
Fuel	TJ	7.66	8.18	8.11
Electric power	TJ	21.25	29.21	30.06
Steam	TJ	0.00	0.01	0.02
Total energy consumption	TJ	31.92	45.78	44.44

Installing solar modules integrated to buildings (BIPV)

YG Entertainment has produced solar energy in house by installing building integrated photovoltaic (BIPV) modules at its new office building in November 2019. It installed the BIPV modules as outer wall materials to minimize negative environmental impacts resulting from installation of separate solar panels. The solar panels generate 238.8kW power daily on average and the system allows the solar energy generated to be used directly inside the new building, thereby increasing energy efficiency.



YG Entertainment new office building equipped with BIPV modules.

순번	구분	내용	비고	사진
1	설치시기	2019년 11월 시공 완료	○ 설치면적 1,550㎡ (123명) 215㎡ → 185명 247㎡ → 225명 267㎡ → 131명 ○ 용량 400kw → 123명	
2	설치면적	태양광 모듈을 건물의 외피재로 사용하여, 일체형 구조로 시공함		
3	운영면적	계통 연계형(사립)발전설비 → DC발전 → 인버터 → 교류발전 → 2023년 유지		
4	교체시기	설치일로부터 20년간 수명	태양광 모듈 평균 내구연한	
5	일평균 전력 발전량	발전용량 총액: 238.8kW 년평균 발전량: 81.36kw (최대 출력: 157.44kw)	4개월 평균 (8/7)월을 발전량 기준	
6	발전량 상충근거	○ 발전용량 (400kw*123명)*3.0시간=157.48kw	○ 4월(7)월: 일평균 발전량 33kwh에 달함 ○ 4월(7)월: 일평균 발전량 33kwh에 달함 ○ 4월(7)월: 일평균 발전량 33kwh에 달함 ○ 4월(7)월: 일평균 발전량 33kwh에 달함	

Operation of BIPV modules

Strategic partnership with Forest Stewardship Council (FSC)



In May 2022, YG Entertainment signed a strategic partnership with Forest Stewardship Council (FSC) on its use of FSC-certified paper to perform its environmentally friendly management systematically. Based on the partnership agreement, YG plans to expand FSC-certified paper on its albums and also plans to replace paper used at its workplace with the FSC-certified paper.

Ceremony for signing agreement on use of FSC-certified paper

Establishing environmental management system

YG Entertainment aims to reduce negative environmental impact while increasing the values of the business and its stakeholders over a long-term perspective. To that end, it plans to establish a comprehensive environmental management system and build a foundation for systematically identifying, assessing, managing, and improving environment factors.

Expanding environment education

YG Entertainment has enhanced its employees' awareness of ESG management and the environment through environmental education, and plans to steadily increase the education programs to ensure that all its employees contribute to development of environmental and societal values.

Education	Date	Content	Target students	Participants	Remarks
ESG issues and trends	May & November 2022 (twice)	Development of ESG management & key environmental & societal issues in the entertainment industry	Employees responsible for ESG in departments concerned	17 persons (May), 26 persons (November)	Real-time video training/education (May), in-person training/education (November)
Pre-cycling education	July 2022	Concept of pre-cycling & pre-cycling that can be adopted in practice in daily life	employees	315 persons	In-person training/education & video clip viewing
Recycling	September 2022	Examples of recycling of wastes generated at the YG Entertainment office building	employees	250 persons	In-person training/education & video clip viewing

Reducing environmental impact

Managing water resources

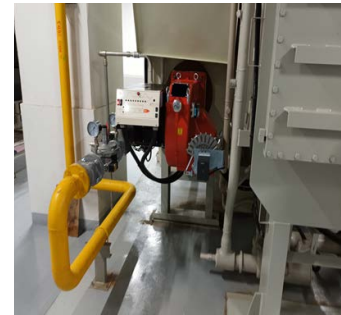
YG Entertainment employees take part in reducing water consumption in their daily life while minimizing environmental impact of their water use. From March 2023, they have recycled rain water using a rain water treatment facility installed inside the new office building. As of 2022, the new office building consumed 10,250 tons of water in total. YG Entertainment plans to continue its efforts on efficiently controlling water resources.

Volume of waste generated

In order to regularly dispose of waste items that have been kept for an extended period in its warehouse, YG Entertainment has hired outside service providers. The company also keeps records of internal documents, which include knickknacks, idle assets like furniture and fixtures that have been retired. As of 2022, the new office building has generated a total of 61.04 tons of wastes. Specifically, 32.06 tons of general wastes, 21.81 tons of food wastes, and 7.17 tons of other wastes have been generated and food wastes have been recycled into composting process.

Managing air pollutant emission system

In August 2022, YG Entertainment installed a pollutant prevention system (a low NOx burner) for air-polluting equipment in its new office building (boilers, hot and cold water dispensers).



Hot and cold water dispensers



Boiler facilities

Yes Green Campaign

YG Entertainment started its “Yes Green” Campaign, an in-house movement for establishing an environmentally friendly workplace culture in June 2022. YG Entertainment steadily launches diverse activities to practice environment management, and enhances employees’ awareness of environmental issues through their participation. YG Entertainment will continue efforts to minimize its impact on the environment while reducing wastes generation from its business activities.

Campaign promoting the use of multi-use tumblers

As part of the Yes Green initiative, YG Entertainment employees, artists and its business partners have participated in an environment protection campaign by provided tumblers to reduce use of disposable items. In doing so, the company reduced the consumption of disposable paper cups as of December 2022 by 70% compared to June 2022.

Yes Green, resource recycling Campaign

YG Entertainment has recycled made coffee grounds from the company’s café to make coffee pencils and coffee pots, which were given to employees, including newly hired employees.

Yes Green eco-friendly photo studio

As part of the Yes Green campaign, an eco-friendly photo studio was built for its employees and artists. The eco-friendly photo studio was built with backdrop using dyed fabrics made with ingredients extracted from plants, environmental sculpture made of traditional handmade paper, and plants grown at the office building.



Coffee pencils made of coffee grounds Yes Green Eco-Friendly Photo Studio

Yes Green, low carbon meals

The YG Entertainment cafeteria provides low-carbon meals every quarter. A low-carbon menu is provided as part of an effort to reducing carbon emissions in daily life. It is designed to reduce carbon emissions generated from production, processing and cooking processes. In addition, the company strives to reduce food wastes by regularly operating “Leftover Food-free Days.”



Yes Green low-carbon meal

Yes Green ‘Leftover Food-free Day’

Yes Green, companion planting

On April 5, 2023, YG Entertainment employees planted olive trees in flower pots made of recycled coffee grounds. The company’s employees planted trees together with Sikjipsa(plant butler) in the local community, raising their awareness of environmentally friendly management. The Korean word ‘Sikjipsa’ or “plant and butler” meaning person who care for plants.



Yes Green, companion planting

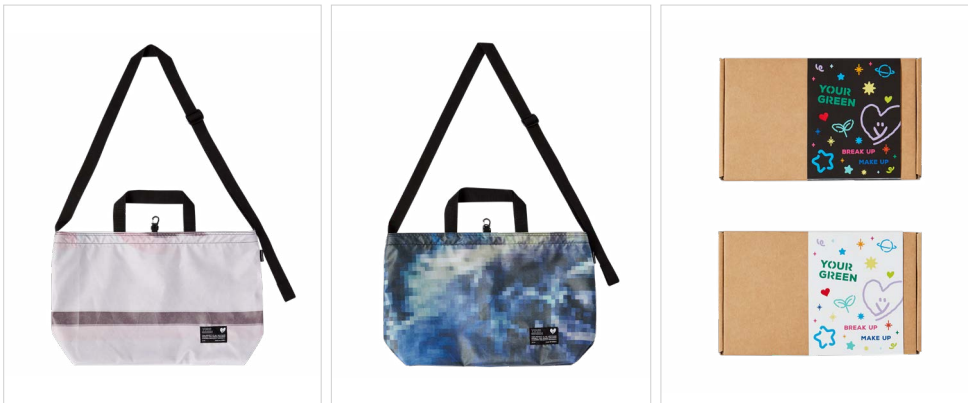
Resource Circulation

Environmentally conscious products and services

YG Entertainment develops products and services with the environment in mind to meet the public's expectations for value-oriented consumption. When producing albums or other merchandise, YG Entertainment uses paper made of FSC-certified woods and use eco-friendly printing ink made from soybean oil. In addition, it has partly used coatings materials non-harmful to the environment and biodegradable materials and the packaging plastic is made from a resin derived from cornstarch to replace packing vinyl film. Above all, in the case of merchandise production it plans to increase the percentage of products produced with eco-friendly materials up to 20% from 2022. In addition, YG Entertainment continues efforts for launching albums and other merchandise made of eco-friendly materials through on-going discussions with various vendors and partner companies.

[Your Green YG] Project

The 'Your Green YG' project is designed to contribute to solving the environmental issues that keeps worsening through the production of merchandise. Since 2022, YG has been selling goods made from recycled concert placards. In order to accommodate various needs of consumers, it has also expanded the range of eco-friendly products it offers. On June 5, 2023, World Environment Day, the company released a bag, two types of coin pouches made from recycled placards used at concerts and pencil pouch, card wallet and two types of DIY kits made from using leftover leather swatches from the fashion goods industry.



Bags made of fabrics from recycled placards

Fan pouches, two types of card wallet or purse DIY kits

Campaigns for environmental action

In addition to launching merchandise made of eco-friendly materials, YG Entertainment held a campaign to engage with fan in environmental action. Fans are urged to engage in a common environmental protection behaviors like collecting plastic bottle caps and taking public transportation as part of the campaign. Key rings made from waste plastic using YG Entertainment's intellectual property(IP) were given to fans who actively participated in the campaign and achieved the objectives. The company presented opportunities for the public to realize the importance of steady participation in environmental movements in daily life by sharing the quantitative achievements achieved through projects with fans on social media. As of June 26, 2023, a total of 3,182 bottle caps were collected by a total of 1,569 fan participation.



Boxes installed for collecting bottle caps

Producing in-house supplies caring for the environment

YG Entertainment is in the process of transferring to environmentally friendly materials for consumables such as paper cups and document envelopes used throughout the company. In addition, YG Entertainment has steadily built consensus on the need for reducing consumable supplies with its employees and has aggregated and controlled consumption volumes on a daily basis. Also, in selecting vendors of consumable supplies, priority was given to companies that have obtained environment-related certificates or certifications (e.g., environmental label, chlorine-free bleaching, recycled paper) or comply with relevant regulatory standards.

Producing albums made of eco-friendly materials

YG Entertainment has produced music albums partially made of environmentally friendly materials starting with MINO 3rd FULL ALBUM ["TO INFINITY"], which was released in December 2021. Since launching TREASURE 1st MINI ALBUM, such environmentally friendly materials as low-carbon paper and biodegradable plastics were used for all components of music albums and related merchandise, excluding CD discs. YG Entertainment will continue to develop products and services products and services that take environmental impact into consideration and strive to create a sustainable society.

MINO - "TO INFINITY"



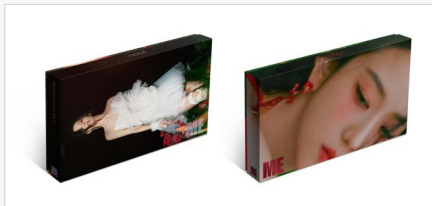
MINO - 3rd FULL ALBUM ["TO INFINITY"] was produced using environmentally friendly materials such as low-carbon paper and biodegradable plastic with the exception of the original CD discs and a small amount of packaging for which we have not found a replacement. It minimized the negative environmental impact by using recycled content in its production.

TREASURE - THE SECOND STEP: CHAPTER ONE



TREASURE 1st MINI ALBUM [THE SECOND STEP: CHAPTER ONE] also adopted FSC certified paper, low-carbon environmentally friendly paper, soybean ink, eco-friendly coating, FSC-certified 100% recycled paper, biodegradable plastic (Polylactic acid), packing vinyl made of raw materials derived from corn starch for its album and packaging materials.

JISOO - Me



JISOO 1st SINGLE ALBUM [ME] also adopted FSC certified paper, low-carbon eco-friendly paper, soybean ink, eco-friendly coating, eco-friendly packing vinyl made of raw materials derived from corn starch, and bio plastic (Ecozen) for its album and packaging materials.

Producing merchandise made of eco-friendly materials

In August 2021, a specially created merchandise celebrating the 5th anniversary of BLACKPINK's debut was released on the global fan community platform Weverse, a global fan community platform. A total of 44 types of merchandise including 8 basic products such as sofas, tote bags, multi-pouches, planners, customized T-shirts, phone cases, and sticker packs were released with diverse options. In particular, the tote bags, sofas, planner covers, etc. were produced using non-toxic materials that can be recycled and do not discharge pollutants even when burned.



Four types of sofa and two types of tote bags to mark the 5th anniversary of BLACKPINK

Producing upcycling merchandise

YG Entertainment produces upcycling merchandise collecting placards that have been used at concerts. In July 2022, it also released upcycling card wallets made by recycling placards that had been used at WINNER 2022 CONCERT [THE CIRCLE] to commemorate the launch of WINNER 4th MINI ALBUM [HOLIDAY]. YG also released card wallets made by recycling placards that had been used at TREASURE 1st Concert [TRACE] in April 2022 with its 2nd Mini Album [THE SECOND STEP: CHAPTER TWO] in October 2022.



Card wallets commemorating the release WINNER 4th MINI ALBUM [HOLIDAY].



Card wallets commemorating the release of TREASURE 2nd Mini Album.

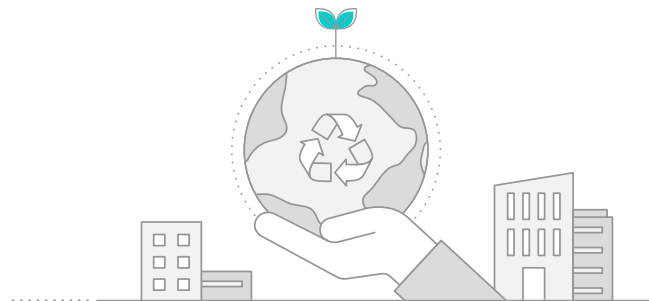
Biodiversity

Plogging for cleaning rainwater drains, “The Sea Starts Here” Campaign

YG Entertainment employees participated in the campaign “The Sea Starts Here” to improve rain gutters along the streets of Hapjeong-dong, where YG’s office building is located, in honoring the World Environment Day in June 2023. The campaign is designed to prevent micro plastics from flowing into the sea by collecting cigarette butts and other trashes accumulated in roadside rainwater drains where rainwater passes.

The event was held to help prevent urban floods and flood damages while raising the awareness of the role of rain gutters through employees’ participation. A total of 132 employees participated in the education on marine biodiversity and ways to protect the sea water in urban areas, which was held prior to the plogging rainwater drains.

The members of the employees were scattered along the streets nearby Hapjeong station as well as in alleyways that are used as tacit smoking areas, and collected about 50 liters of cigarette butts and trash accumulated in the drains in 90 minutes. Also, employees placed stickers on the streets to prevent littering and inform people about the role of rain gutters, helping to improve citizen awareness for a better planet.



“The Sea Starts Here” Campaign, education on biodiversity and plogging for cleaning rainwater drains

Employees

YG Entertainment's creativity originates from its culture that respects the diversity of all its members. All members are encouraged to create content based on their unique experiences, and strive to create diverse content in a culture of horizontal communication.

Current status of employees¹⁾

Classification		Unit	2020	2021	2022	
Total		persons	350	379	415	
Gender	Male	persons	165	168	183	
	Female	persons	185	211	232	
By age	Aged below 30	persons	129	167	171	
	Aged 30 to 50	persons	214	203	237	
	Aged over 50	persons	7	9	7	
Managers ²⁾	Sub-total	persons	61	60	57	
	Male	persons	41	34	35	
	Female	persons	20	26	22	
	Ratio of male employees	%	67	57	61	
	Ratio of female employees	%	33	43	39	
Nationality	USA	persons	7	6	4	
	Canada	persons	2	2	1	
	Japan	persons	1	1	1	
	China	persons	1	1	1	
	New Zealand	persons	0	1	0	
Foreign national employees	Number of foreign national employees	persons	11	11	7	
	Ratio of foreign national employees	%	3.1	2.9	1.7	
Physically handicapped employees	Number of physically handicapped employees	Managers	persons	1	0	0
		Members of the department	persons	0	2	1
	Ratio of physically handicapped employees	%	0.28	0.52	0.24	
Type of employment	Regular permanent employees	Sub-total	persons	331	362	394
		Male	persons	158	164	176
		Female	persons	173	198	218
	Temporary or irregular type employees	Sub-total	persons	19	17	21
		Male	persons	7	4	7
		Female	persons	12	13	14

1) As of December 31 on yearly basis. Please refer to "Status of Employees, etc." under "VIII. Information on officers & employees" of the Business Report for the further details of the company's employees.

2) No. of people in managerial positions has been aggregated based on each leader's position grade

Average wage of employees¹⁾

Classification		Unit	2020	2021	2022
Average payroll of employees ²⁾	Total	KRW 1 million	65	50	66
	Male		83	57	78
	Female		46	43	54
Ratio of male to female employee payroll	Company-wide	%	55.4	75.4	69.2

1) Average payroll decreased as merit-based pay decreased during COVID-19 situation and some members' departure in 2020 and 2021.

2) Average pay of active employees as of December 31 each year

Hiring and Retention

Classification		Unit	2020	2021	2022
Hiring	Total of newly hired employees	persons	74	129	151
	New hires fresh out of school		42	70	27
	New hires with work experience		32	59	124
Turnovers	No. of employees who left company	persons	101	94	117
	Voluntary turnover ²⁾		75	74	103
Retention ¹⁾	Voluntary turnover rate ³⁾	%	21.4	19.5	24.8
	Average retention period	Years	4.1	4.2	3.9
	Average retention of male employees		4.7	4.9	4.7
Average retention of female employees	3.6		3.4	3.1	

1) Average retention period of active employees as of December 31 each year

2) Voluntary turnover refers to former employees leaving the company for another job, starting up a business, or other personal reasons other than full-age retirement, dismissal, recommended resignation

3) Voluntary turnover rate = (No. of voluntary turnover / total employees) x 100

Labor-Management Council

YG Entertainment adopts a horizontal corporate culture, ensuring open and free communication. To that end, YG periodically holds meetings of its labor-management council consisting of six members (equal numbers of labor and management). YG Entertainment will continue its efforts to promote communication between its labor and management, protect its employees, and resolve disputes.

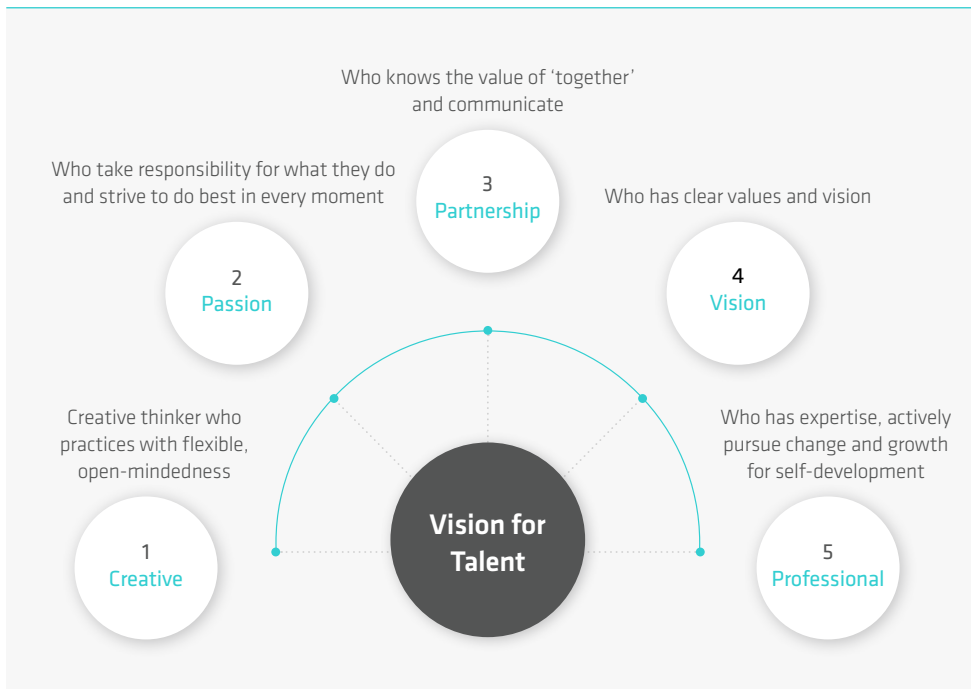
Implementation of Labor-Management Council Decisions

Classification	Unit	2020	2021	2022
Employees covered by council decisions	%	100	100	100

Developing human resources

YG Entertainment has five core talent vision that serve as the foundation of the brand's direction, allowing employees to determine their own growth goals. In 2022, YG launched training programs tailored to the characteristics of each position, such as job-specific trainings to help individuals contribute to improving their work capabilities. In order to create an environment where employees can adapt and learn anytime, anywhere and grow as global talents, YG provides new employee induction (onboarding) & in-depth training, individual job competency enhancement, leadership/ethics training, targeted training for employees/executives by class/position, core-competency training, self-development (hobbies, foreign language) training, external education support, insight activity programs, statutory mandatory curriculum, etc. YG works to help employees gain knowledge and insights in various fields from internal and external experts.

YG Entertainment Vision for Talent



Training/ Educational Programs for Employees

Classification		Programs
On-boarding	Induction programs	<ul style="list-style-type: none"> · Welcome lounge · Onboarding education: Company history, Work tools, A&R · Compliance education: Anti-Bribery, Embezzlement, and Anti-Graft Laws · Tour on YG Entertainment's Brand & Welfare
	In-depth education for newly hired employees	<ul style="list-style-type: none"> · Training for Management Support & Business Departments
Job category /Common	Individual jobs or duties	<ul style="list-style-type: none"> · Job-specific trainings
	Common capabilities or skills	<ul style="list-style-type: none"> · Leadership & ethics education
	Targeted education	<ul style="list-style-type: none"> · By target · By job · By specific period
Essential		<ul style="list-style-type: none"> · Preventing sexual harassment at work; · Protecting personal information; · Safety & health education · Protecting the rights of persons with disabilities. · Education on retirement pensions, etc.
Self-development		<ul style="list-style-type: none"> · Duties · Lifestyle (hobby) · Languages
External		<ul style="list-style-type: none"> · Insight activities · Outside education · Graduate schools, etc.

Status of Training/ Education by Employees

Classification	Unit	2020	2021	2022
Training/ education hours per person	Hours	27.57	30.34	37.33
Training/ education cost per person	KRW 1,000	303	326	363

Making Everyone a Professional

‘YG EDU-FI CLASS’

“Inviting everyone to join the forum where experts gather to share their knowledge.”

YG Entertainment actively supports the growth of its employees through their voluntary participation by providing a platform for various educational experiences through ‘YG Edu-Fi CLASS’. ‘YG Edu-Fi CLASS’ consists of ‘Insight Sessions’, which are lectures by professional guest lecturers, and ‘Share Sessions’, where in-house lecturers pass on their job know-how and specialized hobbies. In addition, YG actively supports all aspects of lecture preparation, such as creating lecture preparation manuals, encouraging participation, and creating a lecture environment, in order to maintain the quality of internal lectures and the growth of individual lecturers.

YG Edu - Fi CLASS

사내 지식 공유 클래스 OPEN

YG 구성원 모두 전문가입니다.
전문가들이 모여 지식을 공유할 수 있는 장에 여러분을 초대합니다.

● YG Edu - Fi 가 무엇인가요?
사내 임직원/아티스트/배우 등 분한이 가지고 있는 전문 분야에 대한 노하우, 지식, 개인 취미 등 서로가 서로에게 지식 나눔 & 정보 제공을 통해 다양한 분야의 지식 향상과 상시 교류할 수 있는 소규모 모임입니다.

Share Session
사내 강사를 활용한 다양한 방면의 지식과 관심사 교류

Growth Session
사외 강사를 활용한 INSIGHT 할당을 위한 소통/생각의 장

Internal Notice for “YG Edu Fi Class”

Insight Sessions (Guest lecturers)

Sessions for enhancing the insight of YG Entertainment employees by providing lectures from highly recognized internal and guest lecturers (i.e. entertainers, creators, TV show hosts, doctors, professors, etc.)

Share Sessions(In-house instructors)

Sessions provided directly by fellow employees as in-house instructors for the purpose of sharing knowledge without any restrictions on the topic which range from work related, skills, hobbies etc.

1. Courses for sharing tips and know-how they acquired with unique interest in certain areas other than their work (i.e. beauty, diet, fashion, sports, overseas travel, music, etc.)
2. Courses on introduction on work related knowledge to the newcomers (i.e. O.A, photography, video, A&R, IT, etc.)

1st Share Session: In-house lecture from YG actor “Preserving one’s dream with endurance”

2nd Insight Session: Guest lecturer about “Forming a horizontal culture of open communication”

3rd Share Session: Special lectures on diet (theories + practice programs as follow-up sessions)

Welfare system

YG Entertainment implements various welfare programs for the welfare of its employees. By operating various support systems for leisure, health, and more, as well as programs for families and children, we are contributing not only to the morale of our employees but also to enhancing corporate competitiveness.

Welfare and Benefits

Classification	Detail contents
Work conditions	<ul style="list-style-type: none"> · Flexible work-hour system · Company cafeteria (free lunch & dinner meals) and fitness center
Personal & public health	<ul style="list-style-type: none"> · Expenses supported for physical examination once every two years · Entire expenses paid for psychological counseling service up to 8 times a year · Expenses supported for subscribing to injury & life insurance · Disaster/ accident compensation
Livelihood & financial assistance	<ul style="list-style-type: none"> · Scholarship system (employees & their children) · Allowances paid for congratulatory & bereavement occasions · Funeral support service · Commendation of long-standing tenure · Holiday allowances · Spouse maternity leave supported · Childcare service supported · Monthly house rent & security deposit funds supported · Communication expenses supported
Self-development	<ul style="list-style-type: none"> · Up to KRW 1.3 million a year paid for personal self-development · Expenses supported for book purchases · Expenses supported for foreign language learning
Others	<ul style="list-style-type: none"> · Affiliate Support · YG Member Affiliate Benefits · 'Gathering Day' support for those who joined the company at the same period

Cost of welfare and benefits

Classification	Unit	2019	2020	2021	2022
Welfare and benefit expenses	KRW 1 million	7,214	6,814	6,188	8,057
Ratio of welfare and benefits expenses to sales	%	2.84	2.67	1.92	2.06

Flexible work hour system

YG Entertainment operates a flexible work system that allows employees to choose their work hours to maximize their creativity and innovation. YG Entertainment's flexible work system is operated in the form of staggered commute system, flexible work system, compensatory leave system, and off-site deemed working hours system.

Psychological counseling program for trainees and artists

YG Entertainment operates psychological counseling programs for trainees and artists who have started their career prematurely when they should be socially protected to reduce anxiety and stress. The psychological counseling programs consist of diverse counseling programs which have been verified scientifically, including Minnesota Multiphasic Personality Inventory (MMPI), Junior Temperament and Character Inventory (JTIC), and Sentence Completion Test (SCT). Based on the results, experts pay a visit to those concerned to provide interpretation and counseling to their parents.

Family care system

A family care system is operated to support the work-life balance of employees and to mitigate the burden of childbirth and childcare. To comply with the Labor Standards Act, up to 90-day paid leave is given for childbirth, and work hours are shortened during pregnancy and child-raising periods. Moreover, the company actively urges all employees to use childcare leave for work-life balance.

Childcare Leave Used

Classification	Unit	2020	2021	2022	
Persons who used	Male	persons	0	1	1
	Female	persons	2	1	6
Persons returned after leave	Male	persons	0	0	1
	Female	persons	6	0	1
Rate of persons returned	Male	%	0	0	100
	Female	%	100	0	100
Returnees who have worked for over 1 year ¹⁾	Male	persons	0	0	0
	Female	persons	0	4	0

1) Those who have worked for over a year after returning from childcare leave in the relevant year.

Health & Safety

Health & safety management

Objectives of health & safety management

Safe workplace is provided to all members of YG and its partner

YG Entertainment established its safety and health goals in January 2022 to create a work environment where employees' safety is prioritized. Furthermore, it established a body for safety and health management that consists of a safety and health administrator, safety manager, and health manager, and adopted its safety and health management regulations following a resolution by both the labor group and management. In March 2022, the company declared its safety and health management policy to promote a sustainable safety and health basis by actively performing its duties, including actions to prevent safety accidents, develop measures to prevent recurrence, and institute statutory compliance provisions under the Occupational Safety and Health Act.

Core Health & Safety Strategies

1. Lead by example and encouragement of employees' participation
2. Checking and improvement of harmful risk factor
3. Listening to and reflect employees' opinions on safety & health
4. Intensive management of outdated facilities & construction work risks
5. Enhancing capabilities for managing disaster & safety

Health & Safety Management Policy

YG엔터테인먼트 안전보건 경영방침

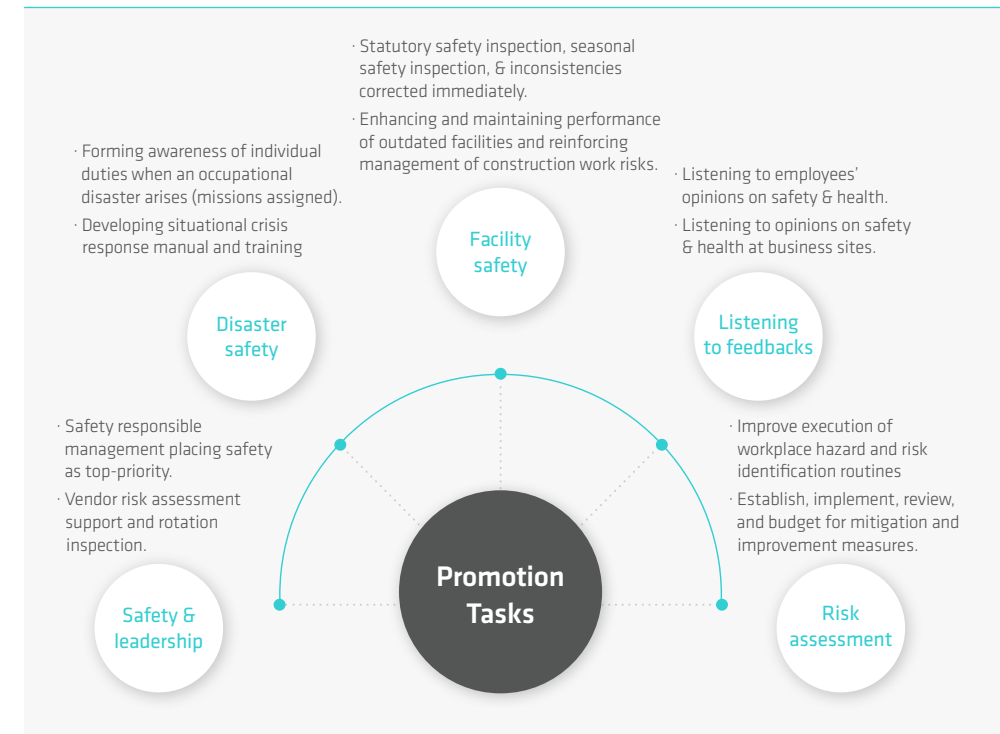
YG엔터테인먼트는 임직원의 생명과 안전을 사업 운영의 최우선 가치로 하고, 철저한 책임의식과 적극적인 의무 이행으로 지속 가능한 안전보건 기반을 구축하고자 다음과 같이 안전보건 경영방침을 선언합니다.

1. 임직원 모두가 안전의 기본 원칙을 실천하고 법규를 준수하는 안전보건문화를 정착시켜 안전하고 건강한 근무환경을 조성한다.
2. 임직원의 안전보건을 확보하기 위해 안전보건체계를 구축하고 이행 점검하여 지속적으로 발전시킨다.
3. 안전보건 목표를 설정하고 이를 달성하기 위해 체계적인 안전보건 교육훈련을 실시한다.
4. 발생할 수 있는 위험을 예측하여 선제적으로 관리할 수 있도록 안전보건 시간 / 사고 예방 활동을 지속적으로 추진한다.
5. 도급/분역/위탁 관계의 상생 협력 체계를 강화하고, 종사자의 근무환경 개선과 산업재해 강소를 위해 책임과 역할을 다한다.
6. 안전사고 예방 및 개선대책 마련에 임직원의 참여와 협의를 보장하고, 본 방침을 공개하여 투명한 안전 보건 경영을 실현한다.

YG엔터테인먼트 대표이사 양민석, 황보경

[Shortcut to YG Entertainment Safety & Health Management Policy](#)

Tasks for Promoting Health & Safety Management



Safety and Health Council

YG Entertainment holds monthly periodic meetings of its safety and health council consisting of its internal personnel, including safety management representatives, health manager, and safety and health manager and external personnel who perform contract services for management of facilities, environment, safety, and equipment. The Safety and Health Council shares information concerning safety and health-related issues arising on occasion, and prepares itself ready for potential problems.

Occupational health and safety committee

YG Entertainment discusses matters related to safety and health through Occupation Safety and Health Committee under its safety and health management organization. It also strives to prevent accidents/ incidents by implementing diverse policies and programs. The committee consisting of 10 members (including labor representatives) holds meeting periodically each quarter to review and resolve matters related to safety and health of its business sites. The result of the Occupational Safety and Health Committee meetings are transparently disclosed on YG's digital bulletin boards based on Article 39 of the Enforcement Decree of the Occupational Safety and Health Act.

Inspection of safety environment and safety accident prevention

YG Entertainment proactively inspects and prioritizes a safety-oriented work environment. In May 2022, it completed the risk assessment of the facilities at its new office building in accordance with Article 4 of the Enforcement Decree of the Serious Accidents Punishment Act and Article 36 of the Occupational Safety and Health Act. A third-party professional service provider certified by the Ministry of Labor and Employment assessed the risk. The entire new office building was thoroughly inspected. YG will provide and ensure a work environment where its employees' safety is guaranteed by performing additional risk assessment independently whenever any changes are made to the facilities.

ISO 45001 Certification

As part of its efforts to systematically respond to occupational disasters while protecting its employees from them, YG Entertainment has developed its management policies and objectives, developed organizations, and enacted written descriptions procedures, guidelines and regulations, and established processes for preventing occupational disasters with thorough health and safety training/ education and safety inspections in accordance with the conditions stipulated by International Standards Organization (ISO). As a result, it obtained ISO 45001 (Safety & Health Management System) in October 2022 for the first time among the local entertainment companies.



Inspection of escape stairs



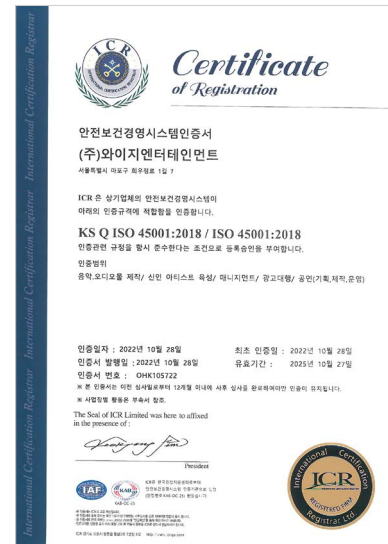
Inspection of cooling tower



Inspection of parking tower



Rewards for employees with high scores on Occupational Health & Safety education



ISO 45001 Certificate (Korean)



ISO 45001 Certificate award ceremony



Health counseling campaign

YG Entertainment conducts periodic health counseling once every month to prevent diseases of its employees by surveying harmful factors of diseases that may easily arise in terms of the nature of their job duties. Occupational health physicians visit YG's office building to provide health counseling to employees, including their blood pressure, blood sugar, and cholesterol levels. Precision health checkup is recommended to those who are found to have signs of hypertension and hyperlipidemia, and they are monitored and managed on a continuous basis. From November 2022, the company has launched an anti-smoking campaign in cooperation with the Seoul Anti-Smoking Support Center to deter anti-smoking inside YG, and conducted counseling on nine occasions till May 2023.



Health counseling campaign

Education on prevention of occupational diseases

YG Entertainment inspects, prevents and manages health environment in advance. It completed the survey of hazardous work factors associated with musculoskeletal disorders on June 2, 2022, by hiring a professionally specialized agency certified by the Ministry of Labor and Environment. YG strives to create and provide a healthy workplace to prevent occupational diseases among its employees by operating education on prevention and management of musculoskeletal disorders more than once a week from September 2022.



Survey on harmful factors causing musculoskeletal disorders



Training on prevention of musculoskeletal disorders

Manual for safety of concert sites

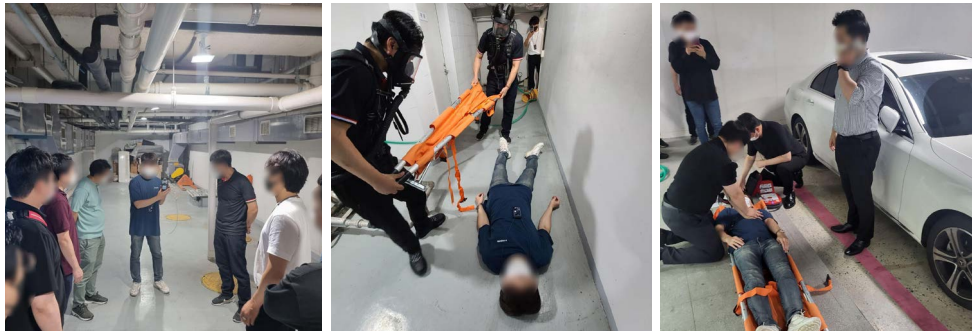
YG Entertainment has adopted safety management processes to prevent and respond to major accidents/ incidents within live performance sites. YG has developed response plans for various types of situations, while also ensuring thorough advance planning to prevent safety accidents at concert sites. We also provide concert site safety managers with systematic safety training and education. In addition, it strives to prevent recurrence of similar safety accidents within concert sites by producing detailed onsite safety manuals and guidelines, including deployment of emergency contact systems, production of escape routes by types of situations.

Manual for Safety of Concert Sites

Classification	Detail contents
Preparation Considerations	<ul style="list-style-type: none"> · Checkup of performance site safety regulations and consultation on operation plans with the Ministry of Culture, Sports & Tourism, local municipalities. · Development of plans for safe operation & management of events. · Coverage of insurance contracts related to performance, including organizers' liability, fire, injury & other applicable insurance contract. · Safety diagnosis of stage structure & electric safety inspections performed. · Checkoff of anti-flame treatment (i.e. wood, cloth, paper products, etc.) · Operation & safety meetings held (i.e. advance inspection of operational items by part) · Conclusion and management of service contract with partners (requesting their compliance with Serious Incidents Punishment Act and the Labor Standards Act) · Completion of statutory safety training (hosted by Korea Occupational Technology Test Board)
Development of response plans by situation	<ul style="list-style-type: none"> · Permanent preparation and management of emergency escape routes (i.e. prohibiting articles from stacking up around emergency escape routes) · Production and transmission of video clips presenting performance site safe guidance (i.e. safety rules, information on emergency escape routes, etc.) · Provision of safety training/ education to site operation staff (i.e. education on plans to respond to emergency situation and prevention of safety accidents, etc.) · Advance appointment of response persons by type of situation (i.e. emergency situation, audience grievance, etc.) · Deployment of emergency contact system with local municipal government, hospitals, police station, fire station, & performance site. · Preparation of articles for responding to emergency situation, including fire extinguishers, light sticks, speakers, etc. · Support to insurance settlement when personal injury or property damages are incurred.
Onsite preparations & operation	<ul style="list-style-type: none"> · Wearing and routine management of staff safety gear (i.e. safety helmet, harness, etc.) · Safety inspection of stage and audience seats (installed status of special effect equipment & fire extinguishers, audience passage way, etc.) · Safety inspection of outdoor booths (i.e. status of sand pouches installed, power cable connection, installation of fire extinguishers, etc.) · Audience safety management (Additional safety management personnel were assigned in the event of risks of fire, stampede, fall accident, etc.) · Temporary medical dispensary operated (i.e. emergency rescue personnel, ambulances placed on standby routinely) · Production and installation of onsite information signboards (i.e. information on safety rules, warning signs, etc.) · Information concerning site situation was shared as required using walkie-talkies, messenger and email communication, entry registration system, etc.

Response to occupational disasters

YG Entertainment thoroughly investigates the causes of accidents/ incidents that have occurred, and prepares actions to prevent their recurrence. To reduce damage through prompt action in the event of a disaster, it has developed type-specific disaster response manuals. Additionally, it offers frequent training and instruction on rescue techniques to the workforce. By carefully examining risk factors at its office building as well as those outside of the performance/ concert venue or photographed content, it also works to prevent occupational injuries or disasters. To that end, it steadily purchases and supplies qualified protective equipment to performance and shooting sites for preventing or managing hyperthermia and seasonal diseases, including safety boots and helmets. It also surveys factors for improvement by dispatching safety managers to the sites for interviewing with the workers stationed at a site.

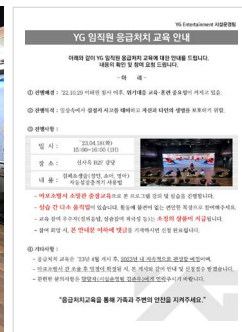


Rescue activities wearing supplied air respirators

Cardio-pulmonary resuscitation & defibrillation performed



Cardio-pulmonary resuscitation training performed for employees in collaboration with Mapo Fire Station



Information on emergency treatment education

Tally of Occupational Disasters

Classification	Unit	2020	2021	2022
No. of workers applicable	persons	350	379	415
Rate of occupational disasters	%	0	0	0
Absence rate*	%	0	0	0
Lost time injury frequency rate (LTIFR)	-	0	0	0
Occupational illness frequency rate (OIFR)	-	0	0	0

Workplace with clean air circulation

In February 2022, YG Entertainment installed 30 sets of air handling unit filter featuring enhanced dust collection efficiency (fine dust filtering performance) to provide a healthy, pleasant workplace to its employees. The air handling units' operation has been temporarily halted to improve its performance since November 2022. YG plans to resume its operation after the improvement work and performance and safety tests are completed.



Air handling units installed at YG new office building where the filter is installed

YG엔터테인먼트 신항공사 설비_공조기 필터 운영현황	
총무지원센터, 사생활팀	
구분	공조기 필터
설치시기	22.02.17 ~ 22.05.26
설치 및 운영현황	교내(남) 건물 3층(공공) 방벽 (방화벽) 1층(인쇄) 방벽(인쇄) (방화벽)
운영효과	입진(출) 필터(미세먼지) 필터(인쇄) 효과율 : 3.9% (교내) 10.2%
설치수량	30세트 설치 (신사옥 8부동 1F, 3F, 5F 공조실)
설치여지	

YG Entertainment's eco-friendly air handling unit filter

Local Community Engagement

CSR operation and performance

YG Entertainment has organized a variety of CSR initiatives after realizing that in addition to its business and financial objectives, it also has a responsibility to contribute to the development of social values. To the end, YG Entertainment has developed its strategic CSR programs that can create ongoing social values in areas where its artists, fans, and the public participate under the vision of "With People, With Music." Based on its mid- to long-term strategy, YG aims to contribute to the community by creating experiential opportunities for people to enjoy cultural life without restrictions, supporting the healthy growth of children and youth, and coexisting with marginalized neighbors. YG Entertainment will continue to strive to develop various social contribution activities customized to the characteristics of the entertainment industry by actively communicating with various members of society.

CSR strategy system



YG WITH, CSR campaign

"YG WITH" is a CSR campaign of YG Entertainment for a society that values and respects inclusivity. As "WITH" stands for a life of sharing our hearts 'together', YG introduced an internal system to encourage employees to voluntarily participate in sharing activities. 'WITH DAY,' is an employee volunteer day organized to make volunteer activities more accessible in everyday life, and in 2022, it established 'WITH POINT' system to provide points for volunteer hours and awards at the end of the year to further motivate employees to participate in sharing activities. In the mid- to long-term, it plan to continue to implement social contribution activities involving employees more than twice a year.

Employee participation in volunteer activities

Classification	Unit	2020	2021	2022
Per-person service hours	Hours	0.5	0.6	1.1
No. of service activities by employees	Cases	5	4	3
Total service hours	Hours	180	237	473
No. of beneficiaries	persons	660	750	589

Charitable donations

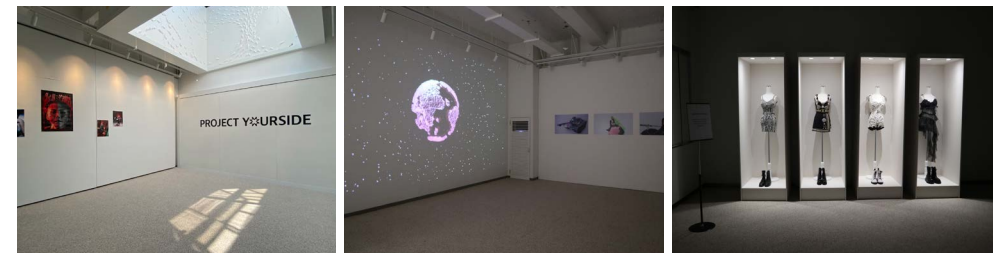
Classification	Unit	2020	2021	2022
Amount of charitable donations	KRW 10 mil	1.23	40.8 ¹⁾	51.4

1) Amount of donations increased as Muju YG Foundation was dissolved.

Representative CSR activities

Project Yourside

'Project Yourside' is a CSR campaign that YG Entertainment introduced to bridge the cultural gaps. It is event a 'cultural event' designed to provide rich cultural experiences to anyone, anywhere. It is designed to coexist with local communities by hosting pop-up events with YG Entertainment's music that can be enjoyed in each region, and providing more people with a variety of things to see and do. The first campaign was held in December 2022 in Wanju Cultural City Support Center in Wanju, Jeollabuk-do. A variety of programs were offered, including an exhibition of BLACKPINK's 'Coachella' stage costumes and personalized music curation, as well as dance workshops by dancer crews from YGX and a talk concert by artist SEAN. YG Entertainment will continue to coexist with local communities and travel across the country to help more people enjoy culture by bridging the cultural gap between regions.



Project Your Side pop-up exhibition

YG BOPCHA (Meal truck)

YG BOPCHA(Meal truck) is one of YG Entertainment's representative CSR activities launched since 2015. YG BOPCHA has continuously visited neighbors who need meals and has been to social welfare organizations and facilities in order to show genuine concern and warmth. YG BOPCHA has been operated 29 times in total, making 3~5 trips a year. It shared warm meals at various places, including joint graduation ceremony for out-of-school youth, childcare facilities, welfare centers for the disabled, and temporary shelters for victims of natural disasters.



YG BOPCHA in operation

YG BOPCHA on Children's Day

With Day

YG Entertainment regularly organizes volunteer activities to help local communities in need. In particular, since 2015, YG Entertainment has been participating in a campaign "Raise the temperature by 1 degree" with artist SEAN to provide warmth to the elderly in villages without access to city gas. In addition, YG regularly hold employee volunteer days, "WITH DAY," to protect abandoned animals, provide supplies to the energy vulnerables, and support cultural experiences for children in nursery schools.



Volunteer activities by YG artists & employees

Naver Happybean donation

YG Entertainment conducted CSR project where its artists, fans, and the public participate together through Naver Happybean platform. BLACKPINK's Lisa, actress Lee Sung Kyung, Han Seung Yeon, and WINNER's Kang Seung Yoon made donations and contributed their talent to support education at home and abroad, poverty, disability and animal rights.



Artists participating in Happybean donation campaigns

Le Gala des Pièces Jaunes(Charity event in support of French Hospital Foundation)

In January 2023, BLACKPINK was invited to Le Gala des Pièces Jaunes, an annual charity event in support of French hospital foundation held at Le Zénith Arena in Paris, France, becoming the first K-Pop artist to perform at the gala. The concert was aimed at raising funds to improve hospitalization conditions for children and adolescents.



BLACKPINK performs for Le Gala des Pièces Jaunes, an annual charity event of a French hospital foundation

AR DANCE CHALLENGE

In November 2022, AR dance challenge event was held at the 'YG WITH' booth during TREASURE's '2022 TREASURE TOUR [HELLO] in SEOUL' concert. A small amount of energy was produced from the energy harvesting footpad when the dance challenge participants followed the choreography of Treasure's 2nd mini album title track 'HELLO' to the Treasure members who were visible in the AR technology. In total of KRW 2 million was donated to the Seoul Energy Welfare Citizens Fund based on the total energy generated by the Dance Challenge and an additional amount donated by YG Entertainment in a matching grant. The donation was delivered to the energy-vulnerable residents in January 2023.



AR Dance Challenge

YG Walking Festival

Commemorating its 27th anniversary, YG Entertainment held the online donation campaign "YG Walking Festival" together with its employees, artists, and global fans from May 1 to 14, 2023. Using the Big Walk application, YG Entertainment employees aimed to take 10 million steps in daily routine for two weeks, and collected 1,000 "Likes" from the fans on its Instagram posting to practiced healthy sharing in daily life. The goal of the campaign was successfully achieved thanks to the active participation from the fans and the company's employees. The donation was given to the international aid organization Oxfam in May 2023. The donation will be put to use in Nepal to help underprivileged Dalit youth and members of other minority ethnic groups in developing their digital skills.



'YG Walking Festival' donation ceremony

Business Partners

Win-win growth with business partners

As a member of the local community, YG Entertainment strives to respect the free trade order of the market economy based on the principle of free competition while fulfilling its responsibility as a corporate citizen. It also seeks to develop an ecosystem for steady win-win growth with its business partners by conducting fair transactions based on mutual trust and respect.

Business Partner Code of Conduct

In May 2023, YG Entertainment enacted its Business Partner Code of Conduct as part of its efforts for win-win growth with its business partners. The related details have been uploaded on its website for routine disclosure. The Business Partner Code of Conduct consists of four parts (ethical management, safety and health, respect for human rights, and preservation of environment). The Code presents the guidelines that should be observed by all YG Entertainment business partners. YG plans to provide channels for reporting any infringement of human rights, corruption behaviors, etc. that may arise in business transactions with business partners while enhancing communication with them based on the Code of Conduct.

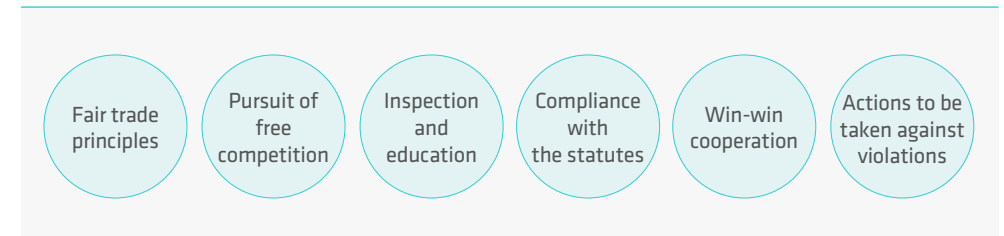
<p>1. Ethical management</p> <ul style="list-style-type: none"> · Compliance with statutes related to anti-corruption · Transparent information disclosure, fair trade · Protection of intellectual property rights, confidential information, and personal information 	<p>2. Safety and health</p> <ul style="list-style-type: none"> · Safe work environment · Preparation against emergency · Prevention of occupational incidents and diseases
<p>3. Respect for human rights</p> <ul style="list-style-type: none"> · Prohibition of forced labor · Prohibition of child labor · Compliance with labor statutes · Humanitarian treatment · Prohibition of discrimination 	<p>4. Environmental protection</p> <ul style="list-style-type: none"> · Compliance with the UN Climate Change Acquiring, maintaining, and managing environment-related licenses and permits · Management of air-polluting substances · Management of GHG generated from energy consumption · Management of wastes and wastewater

[YG Entertainment's Business Partner Code of Conduct](#)

Fair trade policy

In April 2023, YG Entertainment enacted its fair trade policy to contribute to the sound development of the industry in addition to pursuing win-win growth by carrying out transactions with all its business partners fairly and transparently. It presented the principle of fair trade for all its employees to adhere to with the fair trade policy. It also expressed its will to eradicate all unfair common practices and transactions.

Objectives of the fair trade policy



[YG Entertainment's Fair Trade Policy](#)

Data Protection (Security)

Protection of personal information and information security

YG Entertainment has been working to fulfill its duties and responsibilities stipulated under the Personal Information Protection Act and other statutes. Not a single case of personal information breach or incident has taken place in the past four years. As part of a systematic approach to information security, the company operates a body that supervises its information security and protection of personal information at the company level. Furthermore, it remains prepared against any possible leak of personal information by deploying systems for responding to attacks to its IT systems and cyber attacks using diverse means such as simulated hacking and pilot tests, data leak prevention system, and security promotion activities. YG Entertainment's policy for the protection of personal information is transparently disclosed on its website for stakeholders to access at any time.

[Shortcut to YG Entertainment's policy for the protection of personal information](#)

Efforts for the protection of personal information:

Monitoring of abnormal signs through an integrated monitoring system	Security activities using data leak prevention solutions (internally reported once a month)
Raising employees' security awareness through simulated phishing tests (quarterly)	Activities for preventing leak of information through internal security inspection

Status of information breaches

Classification	Unit	2020	2021	2022
Total number of information breach	Cases	0	0	0
Number of information breach related to customers	Cases	0	0	0
Fine paid for violation of information breach related statutes	KRW 1,000	0	0	0

소프트웨어 사용 안내

보통 복제 또는 개인용으로 배포된 소프트웨어는 업무용으로 사용이 불가합니다. 소프트웨어 라이선스 위반에 따른 법적 책임은 사용자 본인에게 있으니 향후 법적 분쟁이 발생하지 않도록 비인가 소프트웨어는 식별해 주세요.

[업무용 유료 소프트웨어]

구분	표준사	프린트
문서 / 시무	마이크로소프트 MS OFFICE 제품군 (Excel, PowerPoint)	
	한글과컴퓨터 한글제품군 (한컴오피스 제품)	
백신	키스톤스/캠 Kaspersky	
데이터유출방지	지문지갑 Office Keeper	

* 유/무 소프트웨어가 적용 소프트웨어목록을 통해 상세 공지되며, 통상사유를 소극적하여서는 안되며-그룹웨어-이메일-업무협약서상장 제외됩니다.

[그 외 사용 가능한 무료 소프트웨어]

종류	소프트웨어명	권리선상정확
압축	반디집	개인, 기업, 관공서, 국립/국립 스텐던드 가능
	7-Zip	개인, 기업, 관공서, 국립/국립 무상 사용 가능
이미지촬영	캡컷	Windows용 무료 소프트웨어
	윈뷰	개인, 기업, 관공서, PC방 등 무상 사용 가능
이미지편집	Paint.NET	Windows용 무료 소프트웨어
	PhotoScape	개인, 기업, 관공서, 국립/국립 무상 사용 가능
동영상	곰플레이어	개인, 기업, 관공서, PC방 등 무상 사용 가능
	KM플레이어	Windows용 무료 소프트웨어

! 불법 소프트웨어 사용 처벌 규정
 1. 저작권 침해 또는 저작권 침해 목적의 행위
 2. 공표권 침해, 사생활 침해, 기타 권리 침해
 3. 명예훼손, 허위사실 유포, 모욕 행위, 기타 권리 침해 등
 4. 기타 법령에서 정한 처벌 규정

Information on software usage

안전한 스마트폰/태블릿 사용법

SNS 위치 정보 노출 방지 (위치체크)
 사진 촬영에서 날씨, 시간 뿐만 아니라 카메라의 기울기와 위치 정보까지 확인할 수 있습니다. 위치 정보 기록을 끄거나 사용 후 사진을 삭제해 주세요.

이메일 카메라 위치체크 삭제 방법
 설정 - 개인정보 보호 및 보안 - 위치서비스 - 카메라 - 위치체크 허용 해제

안드로이드 카메라 위치체크 삭제 방법
 카메라 설정 - 왼쪽 상단 설정 아이콘 터치 - 카메라 설정 - 위치체크 - 끄

링크가 확인되지 않은 링크(URL) 누르지 않기
 문자 메시지에 카카오톡을 통해 받은 링크를 클릭할 때는 주소록 주소록에 등록된 링크로 확인하거나 링크가 알려지지 않은 링크는 클릭하지 않습니다.

공식 어플리케이션 다운로드
 통신, 앱 스토어 등을 통한 어플 다운로드 및 사용은 안전에 취합니다. 어플리케이션은 공식 어플리케이션 다운로드를 받으세요.

주거적으로 보안 업데이트 하기
 제조사에서 취약점과 버그를 해결하기 위해 업데이트를 제공합니다. 보안을 위해 꼭 업데이트를 받으세요.

Information on keeping smartphones and tablets secure

개인정보 보호 생활 수칙

SNS 업로드 할 사진 동영상에 개인정보가 있는지 확인하기
 사진이나 동영상을 업로드 할 때 이름, 주소, 연락처 등 개인정보가 노출되지 않았는지 확인하세요. 또한 타인의 동의 없이 촬영하는 사진이나 동영상을 업로드하지 않도록 주의하세요.

공용 PC, 공용 Wi-Fi 사용 시 금융서비스 이용하지 않기
 PC방, 공용 빌딩 PC나 공공장소에서 제공되는 Wi-Fi 서비스는 해커가 정보를 가로챌 수 있습니다. 높은 수준의 보안을 요구하는 금융 서비스는 개인 인터넷에서 이용해 주세요.

[선택] 제 3자 개인정보 제공 항목은 꼭 살펴보고 동의하기
 상품 구매 및 마케팅을 위한 제3자 개인정보 제공 동의는 선택 사항입니다. 회원가입 혹은 이벤트 참여 시 과도한 개인정보를 수집하지는 않는지 꼭 확인 후 체크해 주세요.

택배송장, 신용카드 영수증은 반드시 찢어서 버리기
 택배 송장, 카드 영수증에 남아있는 주소, 연락처, 카드 정보 등이 그대로 버려져 범죄에 이용되지 않도록 주의하세요.

이메일, SNS, 클라우드 등 계정 2단계 인증 설정하기
 다른 곳에서 로그인할 때 한 번 더 본인확인할 의무를 단계 인증을 설정해 주세요. 휴대폰 번호 혹은 2차 인증, 비밀번호 변경용 OTP(일회용 비밀번호)를 등록해 주세요.

Information on protection of personal information

해킹메일 주의 안내

이메일 보안관리에 대한 안내 사항

- 프론트 백신 소프트웨어 설치 및 업데이트 유지**
 - YG 프론트 백신(Kaspersky)이 아닌 VS, 알약 등 상용 백신 사용 금지 (자책금 연봉)
 - 백신 자동 업데이트 및 바이러스 지능 검사 활성화
- 의심스러운 메일 열람 금지**
 - 발신자가 불명확한 메일, 스팸형 메일 열람 금지
 - 메일에 포함된 링크, 첨부파일 열람 주의
- 개인정보 입력 금지**
 - 이메일에 링크된 폼페이지를 통해 개인정보 입력 금지
 - 비밀번호 변경은 홈페이지에 직접 방문하여 해결
- 로그인 보안 강화**
 - 이메일 비밀번호 수시 변경
 - 비밀번호 설정 시 영문/특수문자/숫자 8-10자 이상
- 의심스러운 메일 수신 시 신고**
 - 사진 메일에 유의하며, 의심스러운 메일의 링크나 첨부파일을 클릭하지 말고 K-info@ygmail.net 으로 신고합니다.

Information to alert against email hacks

Risk Management

Governance structure

YG Entertainment has operated a risk management system deployed by reflecting the characteristics of the entertainment industry to respond in a timely manner to risks that may arise in its overall business through their systematic management. The board of directors supervises the company's management of financial and non-financial risks and performs the functions of review of possible risks, supervision, and policy development. The ESG Committee carries out the management of non-financial risks with authority delegated by the board of directors. The representative director has been appointed Risk Management Officer to deploy a risk management system that is effective at the enterprise level. The Risk Management Officer identifies and supervises the management of non-financial risks and reports the status to the ESG Committee. The risk management organization proactively prevents risks by monitoring risks periodically. It is equipped with procedures and systems for responding to any possible risks effectively. In particular, it manages the risks in an integrated manner while maintaining expertise by organizing separate risk management task forces by type of issues in addition to the risk management council that is operated routinely.

Governance structure for the management of non-financial risks



Risk management processes



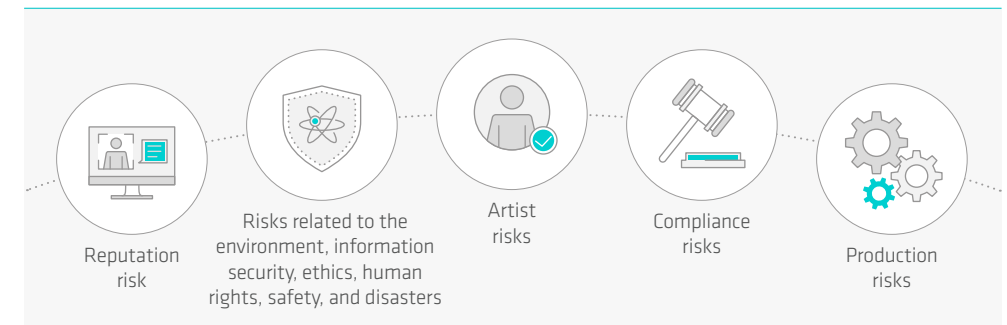
Systems for the management of financial and non-financial risks

YG Entertainment is well-aware that the management of its financial and non-financial risks is an important duty that it has to fulfill as a corporate citizen macroscopically as it directly affects the stability and sustainability of its business management and the enhancement of its shareholder value. Therefore, YG Entertainment maintains a sound financial standing with accurate accounting and transparent financial reporting with the assistance of accounting and tax experts while complying with the tax return and accounting standards at home and abroad and proactively preventing risks by augmenting its internal control system. In addition, it develops budgets and prevents unbudgeted expenditures through its steady monitoring of the developed budget. It also maintains cash reserves to be prepared against uncertain financial situations by controlling its liquidity based on its prediction of cashflow. Moreover, it manages financial risks by reviewing its investment plans while responding to fluctuations in interest and currency exchange rates by managing financial instruments.

Non-financial risk management

YG Entertainment identifies and manages possible non-financial risks by dividing them into five categories reflecting the characteristics of the entertainment business, including those related to reputation, production, compliance, and artists and those related to environment, information security, ethics, human rights, safety, and disasters. It monitors the identified risks periodically and continues efforts to convert risks into opportunities when they are detected based on its internal procedures and systems.

Possible non-financial risks



Corporate Governance Structure

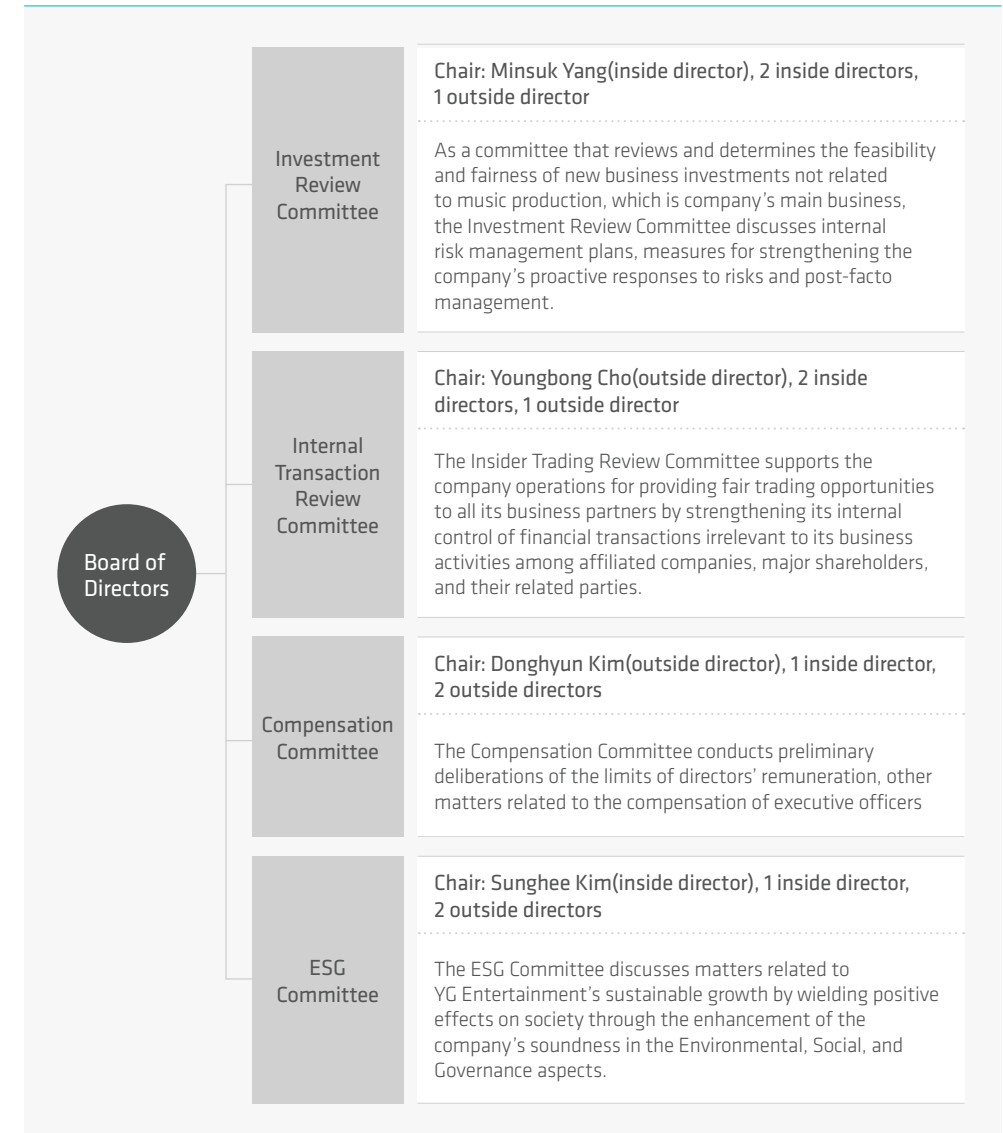
With ESG management emerging as a key factor for sustainable growth, ensuring sound governance is essential. The stakeholders demand a higher standards of governance transparency and expect organizations to create sustainable value creation. In response, YG Entertainment is committed to responsible management under the supervision of a professional, diverse, and independent board of directors. It strives to fulfill responsible management under the supervision of a board of directors with expertise, diversity, and independence.

Composition of Board of Directors

YG Entertainment's board of directors consists of a total of five directors, three inside directors and two outside directors as of May 11, 2023. There are four committees within the Board of Directors Committee, Investment Review Committee, Internal Transaction Review Committee, Compensation Committee, and ESG Committee.

Classification	Name in full	Gender	Term of service	Brief history	Activities
Representative Director	Bokyung Hwang	Female	2021.03-2024.03	<ul style="list-style-type: none"> Current representative director, YG Entertainment Co., Ltd. Former head of the management support division, YG Entertainment Co., Ltd. 	<ul style="list-style-type: none"> Member of the Compensation Committee Member of the Investment Review and Insider Trading Review Committees
	Minsuk Yang	Male	2022.03-2025.03	<ul style="list-style-type: none"> Current representative director, YG Entertainment Co., Ltd. Current chairman of the board of directors, YG Entertainment Co., Ltd. and YG Plus Co., Ltd. Former representative director of YG Plus 	<ul style="list-style-type: none"> Chair of the Investment Review Committee
Internal director	Sunghee Kim	Female	2023.03-2026.03	<ul style="list-style-type: none"> Current representative director of YG Entertainment Japan KK Current Head of the business division (VP/COO), YG Entertainment Co., Ltd. Former COO, Natural-9 Co., Ltd. Former management adviser, YG Plus Co., Ltd. Former head of the global business development division, Samsung Moolsan Co., Ltd. 	<ul style="list-style-type: none"> Member of the Insider Trading Review and ESG Committees
Outside independent director	Donghyun Kim	Male	2023.03-2026.03	<ul style="list-style-type: none"> Current adviser, Uni-Quest Co., Ltd. Former Representative Director, Magnatic Co., Ltd. Former vice president cum general manager, Magnatic Vision, Uni-Quest Co., Ltd. 	<ul style="list-style-type: none"> Chair of the Compensation Committee, Member of the ESG Committee
	Youngbong Cho	Male	2022.03-2025.03	<ul style="list-style-type: none"> Current Representative Director, EN Cast Co., Ltd. Former team leader, Stick Investment Co., Ltd. Former managing director, Korea Investment Co., Ltd. Former managing director, NHN Investment Co., Ltd. Former vice president, EN Cast Co., Ltd. 	<ul style="list-style-type: none"> Chair of the Insider Trading Review Committee, member of the Investment Review, Compensation, and ESG Committees

Committees within the Board of Directors¹⁾



¹⁾ As of May 11, 2023

Operation of Board of Directors

The board of directors holds its regular meetings on a quarterly base in accordance with the board regulations. It may hold ad hoc meetings when necessary. The board of directors adopts its resolutions by the majority vote of the attending directors constituting the majority of the total directors, except for cases provided otherwise under a statute. However, its regulations stipulate the unanimous positive vote of the attending directors and the presence of all outstanding directors at the meeting

for financial transactions among affiliated companies not related to business activities, major shareholders, and their related persons.

In addition, the board regulations clearly provide that the auditor should be allowed to attend the board meetings to report any directors' violation of statutes and Articles of Incorporation for the purpose of enhancing the independence and rationality of the board.

Board meetings held in 2022

Turn	Dates held	Agenda	Approved	Consent by internal director Name in full				Consent by external director Name in full		
				Minsuk Yang (Attendance rate: 100%)	Bokyoung Hwang (Attendance rate: 100%)	RO SEAN KIM (Attendance rate: 100%)	Jonghyeon Gah (Attendance rate: 100%)	Youngbong Cho (Attendance rate: 100%)	Yongjun Hong (Attendance rate: 100%)	Tang Xiaoming (Attendance rate: -)
				Voted for or against				Voted for or against		
1	2022.02.04	1. Investment in another corporation 2. Extension of collateral (deposit) provision for loan to an affiliated company	1. Approved 2. Approved	Agreed to	Agreed to	Agreed to	Agreed to	Agreed to	Not applicable (before appointment as director)	Absent
2	2022.02.23	1. Approval of 2021 financial closing 2. Decision on cash dividends 3. Resolution to convene the 24th Regular General Shareholders Meeting	1. Approved 2. Approved 3. Approved	Agreed to	Agreed to	Agreed to	Agreed to	Agreed to	Not applicable (before appointment as director)	Absent
3	2022.03.28	1. Lending of funds	1. Approved	Agreed to	Agreed to	Agreed to	Agreed to	Agreed to	Agreed to	
4	2022.04.13	1. Change of chairperson and members of the board's subordinate committees 2. Collateral (deposit) for (to) subsidiary companies	1. Approved 2. Approved	Agreed to	Agreed to	Agreed to	Agreed to	Agreed to	Absent	
5	2022.05.11	1. Approval of the 2022 first-quarter financial closing 2. Increase of equity investment in YG Asia (YG Beijing)	1. Approved 2. Approved	Agreed to	Agreed to	Absent	Agreed to	Agreed to	Agreed to	
6	2022.07.01	1. Insertion of provisions on joint representatives and appointment of joint representatives 2. Acquisition of equity stocks from subsidiary companies	1. Approved 2. Approved	Agreed to	Agreed to	Agreed to		Agreed to	Agreed to	
7	2022.08.11	1. Approval of 2022 first-half financial closing 2. Replacement of members of committees subordinate to the board of directors 3. Participation in paid-in capital increase of Studio Flex	1. Approved 2. Approved 3. Approved	Agreed to	Agreed to	Agreed to	Not applicable (resigned)	Agreed to	Agreed to	Not applicable (service term lapsed)
8	2022.11.10	1. Approval of 2022 third-quarter financial closing 2. Organization of ESG Committee under the board of directors 3. Amendment to the ESG Committee operation regulations 4. Partial cancellation of stock option already granted	1. Approved 2. Approved 3. Approved 4. Approved	Agreed to	Agreed to	Agreed to		Agreed to	Agreed to	
9	2022.12.14	1. Setup of base date for determining the rights of shareholders	1. Approved	Agreed to	Agreed to	Agreed to		Agreed to	Agreed to	

ESG Management Organization

YG Entertainment operates the ESG Committee under its board of directors based on a board resolution adopted in November 2022. The ESG Committee is composed of one inside director and two outside directors, and is responsible for decision-making on overall ESG issues such as environment and society, and oversees matters related to non-financial risks. The ESG Council, consisting of working-level practitioners from each divisions, including business, production, and management support, works with the ESG Team to establish an overall strategy for ESG management, and the ESG Team supports the establishment and execution of major initiatives by division considering the characteristics of the entertainment industry. In addition, YG Entertainment has established a working council to implement environmental management, performs tasks related to environmental management such as establishing environmental management policies, proceeding with ISO 14001 certification, and implementing carbon neutrality, and reports to the ESG Committee.

ESG Management Organization



ESG Committee activities

Classification	Date and time	Agenda items	Approved or not
resolution	2023.06.08	Designation of officer responsible for non-financial risk management	Approved
resolution		Approval of compliance control guidelines and appointment of compliance officer	Approved
resolution	2023.05.11	Publishing of sustainable management report	Approved
resolution		Approval of materiality assessment results	Approved
resolution		Enactment or amendment of policies and regulations	Approved
report		Certificate acquisition report-ISO 37301 (Compliance) and ISO 37001 (Anti-corruption) management system	-
report		2023 YG Walking Festival commemorating anniversary and report of donation paid	-

Diversity and expertise of Board of Directors

YG Entertainment will strive to establish a sound governance structure equipped with diversity and expertise so that its board of directors will not represent specific stakeholders only. YG Entertainment's board of directors consisting of experts in management, IP business, investment, media, and entertainment conducts faithful review of agenda items referred to the board and performs monitoring of executive functions of the management based on extensive working experiences. A separate team consisting of members with experiences of two or more years on average is operated to assist the outside directors in the performance of their duties. Active education is provided to outside directors as required to enhance their expertise.

Status of the board of directors

Classification	Unit	2020	2021	2022	2023 ¹⁾	
total	persons	9	6	5	5	
By type	Internal directors	6	4	3	3	
	Outside directors	3	2	2	2	
Gender	Male	8	5	4	3	
	Female	1	1	1	2	
	Ratio of female directors	%	11.1	16.6	20	40

1) As of May 11, 2023

Remuneration of Directors

The remuneration of directors is determined based on their comprehensive expertise within the limits approved by the general shareholders meeting. The remuneration of internal directors consists of base pay items determined based on the value of their duties and capabilities. Stock options are additionally granted to them as approved by the general shareholders meeting to enhance their responsible management for the enhancement of shareholder value on a long-term basis.

No additional remuneration other than base pay is paid to the outside directors. YG strives to enhance management transparency by separately disclosing in its business report the details of individual remuneration paid in excess of KRW 500 million.

Directors' remuneration in 2022¹⁾

(Unit: KRW 1 million)

Classification	Number of persons	Total remuneration	Average per person	Remarks
Registered directors (exclusive of outside directors and auditors)	3	1,702	567	-
Outside directors (exclusive of auditors)	2	43	22	-
Auditor	1	36	36	-

1) The number of persons as of 2022.12.31.

Auditor independence

YG Entertainment's articles of incorporation stipulate the following to ensure the auditor's access to management information: The auditor may request the convocation of an extraordinary general shareholders meeting by submitting to the board of directors a document indicating the purposes of and reasons for the meeting's convocation. In such case, the auditor may investigate the operations and assets of a subsidiary company if it fails to report without delay or in case of a need to check the details reported.

Auditor status of 2023

Full-time auditor	Jungsik Oh	Male	2023.03 ~ 2026.03	<ul style="list-style-type: none"> · Current Advisor (part-time) to Hyosung Co., Ltd. · Former vice president, Korea Citi Bank (business financing) · Former Representative Director, KB Capital Co., Ltd. · Former full-time auditor, Woori Bank Co., Ltd.
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1) Auditor Hosung Bae resigned on March 24, 2023 as his term expired and auditor Jeongsik Oh was newly appointed.

Key audit activities in 2022

Turns	Dates held	Agenda	Attendance
1	2022.02.04	1. Investment in other entities 2. Extension of collateral (deposit) provision for loan to an affiliated company	Attending
2	2022.02.23	1. Approval of 2021 financial closing 2. Decision on cash dividends 3. Resolution to convene the 24th Regular General Shareholders Meeting	Attending
3	2022.03.28	1. Lending of funds	Attending
4	2022.04.13	1. Change of chairs and members of the board's subordinate committees 2. Collateral (deposit) for (to) subsidiary companies	Attending
5	2022.05.11	1. Approval of 2022 first-quarter financial closing 2. Increase of equity investment in YG Asia (YG Beijing)	Attending
6	2022.07.01	1. Insertion of provisions on and appointment of joint representatives 2. Acquisition of equity stocks from subsidiary companies	Attending
7	2022.08.11	1. Approval of 2022 first-half financial closing 2. Replacement of members of committees subordinate to the board of directors 3. Participation in paid-in capital increase of Studio Flex	Attending
8	2022.11.10	1. Approval of 2022 third-quarter financial closing 2. Establishment of the ESG Committee under the board of directors 3. Amendment to the ESG Committee operation regulations 4. Partial cancellation of stock option already granted	Attending
9	2022.12.14	1. Setup of reference date for determining the rights of shareholders	Attending

Rights of shareholders

On August 13, 2015, the YG Entertainment board of directors adopted the electronic voting system pursuant to Article 368-4 (Exercise of Voting Rights by Electronic Means) of the Commercial Act to enhance the convenience of shareholders in exercising their voting rights. The electronic voting system was enforced from the 18th regular general shareholders meeting held on March 25, 2016. In addition, the company strives to provide the shareholders with sufficient information concerning general shareholders meetings by indicating their venue and agenda items on its written notice disclosing the board of directors' resolution on the convocation of general shareholders meetings.

Shareholder rights policy

YG Entertainment determines its dividends inclusively considering its performance, dividend yield, and dividend payout ratio mainly for enhancing its shareholder value and enterprise value within its profit available for dividend computed based on the Commercial Act. To increase shareholders' value, the company has determined its dividend scale concerning its profit amount, securing investment resources for future growth and maintaining sound financial structure. It plans to maintain a dividend level that can satisfy the internal requirements for improvement of its financial structure and shareholders' demand for dividend.



Key dividend indicators

Classification	Classes of shares	25th term (2022)	24th term (2021)	23rd term (2020)	22nd term (2019)	21st term (2018)	20th term (2017)
Par value per share (KRW)		500	500	500	500	500	500
(Consolidated) net profit (KRW 1 million) ¹⁾		33,692	6,658	9,417	-21,534	17,800	11,910
(Separate) net profit (KRW 1 million)		29,058	23,996	15,648	-13,384	15,229	19,224
(Consolidated) net profit per share (KRW)		1,824	380	724	-547	1,410	996
Total cash dividend amount (KRW 1 million)		4,628	4,575	-	-	2,910	2,910
Total dividend to shareholders (KRW 1 million)		-	-	-	-	-	-
(Consolidated) cash dividend payout ratio (%)		13.74	68.71	-	-	18.2	24.4
Cash dividend yield (%)	Ordinary shares	0.55	0.46	-	-	0.3	0.5
	Preferred shares	-	-	-	-	-	-
Stock dividend yield (%)	Ordinary shares	-	-	-	-	-	-
	Preferred shares	-	-	-	-	-	-
Cash dividend per share (KRW)	Ordinary shares	250	250	-	-	150	150
	Preferred shares	-	-	-	-	150	150
Stock dividend per share (shares)	Ordinary shares	-	-	-	-	-	-
	Preferred shares	-	-	-	-	-	-

1) (Consolidated) net profit means the portion of the consolidated net profit belonging to the equity shares owned by the controlling shareholder.

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Performance Data : Financial Performance

Consolidated Financial Statement Highlight

Classification	Unit	2020	2021	2022
Current assets	KRW 1 mil	239,305	239,934	311,017
Cash & cash equivalents	KRW 1 mil	51,846	44,210	80,205
Short-term financial assets	KRW 1 mil	104,947	112,922	108,876
Trade receivables	KRW 1 mil	20,526	37,619	60,949
Acct. receivables - agency service	KRW 1 mil	645	5,156	11,992
Other current financial assets	KRW 1 mil	4,401	5,672	5,950
Advance payments	KRW 1 mil	10,644	10,311	4,695
Inventory assets	KRW 1 mil	33,312	11,298	16,204
Other current assets	KRW 1 mil	12,984	12,746	22,144
Non-current assets	KRW 1 mil	297,466	377,549	347,108
Long-term financial assets	KRW 1 mil	42,629	88,292	79,743
Other fixed financial assets	KRW 1 mil	17,582	9,590	11,036
Equity investment in affiliated companies	KRW 1 mil	17,141	31,097	47,452
Investment real properties	KRW 1 mil	-	-	8,703
Tangible assets	KRW 1 mil	164,875	192,958	180,272
Intangible assets	KRW 1 mil	46,979	44,469	10,854
Other non-current assets	KRW 1 mil	107	49	-
Deferred corporate tax assets	KRW 1 mil	8,152	11,093	9,048
Assets planned for sale	KRW 1 mil	6,047	4,000	54,748
Assets total	KRW 1 mil	542,818	621,484	712,873
Current liabilities	KRW 1 mil	98,806	100,109	143,804
Non-current liabilities	KRW 1 mil	16,379	33,958	23,544
Liabilities for assets held for sale	KRW 1 mil	5,081	4,654	19,236
Liabilities total	KRW 1 mil	120,266	138,720	186,584
Total capital	KRW 1 mil	422,552	482,763	526,288

Stand-Alone Financial Highlights

Classification	Unit	2020	2021	2022
Current assets	KRW 1 mil	129,215	126,376	188,252
Cash & cash equivalents	KRW 1 mil	6,324	13,180	59,634
Short-term financial assets	KRW 1 mil	87,632	69,696	56,279
Trade receivables	KRW 1 mil	12,877	20,935	36,750
Other current financial assets	KRW 1 mil	5,696	6,334	6,173
Advance payments	KRW 1 mil	510	1,492	538
Inventory assets	KRW 1 mil	5,363	5,211	9,192
Other current assets	KRW 1 mil	10,812	9,529	19,686
Non-current assets	KRW 1 mil	270,444	305,590	313,169
Long-term financial assets	KRW 1 mil	16,176	36,627	32,615
Other fixed financial assets	KRW 1 mil	13,227	4,754	12,189
Equity investment in affiliates	KRW 1 mil	76,100	90,511	97,642
Investment-purpose real assets	KRW 1 mil	-	-	8,703
Tangible assets	KRW 1 mil	158,658	161,748	153,322
Intangible assets	KRW 1 mil	2,639	3,470	3,117
Deferred corporate tax assets	KRW 1 mil	3,645	8,480	5,581
Assets total	KRW 1 mil	399,659	431,967	501,421
Current liabilities	KRW 1 mil	45,312	51,173	90,290
Non-current liabilities	KRW 1 mil	1,395	1,967	2,147
Liabilities total	KRW 1 mil	46,707	53,140	92,437
Total capital	KRW 1 mil	352,952	378,827	408,984

Performance Data : ESG Performance

Environment: Consumption Data

GHG emissions

Classification	Unit	2020	2021	2022
Total GHG emissions (Scopes 1 & 2)	tCO ₂ eq	1,675	2,352	2,280
Direct GHG emissions (Scope 1)	tCO ₂ eq	684	993	879
Indirect GHG emissions (Scope 2)	tCO ₂ eq	991	1,359	1,400
Intensity of GHG emissions (Scopes 1 & 2)	tCO ₂ eq/ KRW 100 mil	0.766	0.731	0.583
Sales (Consolidated)	KRW 100 mil	2,186	3,216	3,912

Energy consumption

Classification	Unit	2020	2021	2022
Natural gas	TJ	3.02	8.38	6.25
Fossil fuels	TJ	7.66	8.18	8.11
Electricity	TJ	21.25	29.21	30.06
Steam energy	TJ	0.00	0.01	0.02
Total energy consumption	TJ	31.92	45.78	44.44
New & renewable energy consumed ¹⁾ (rate)	TJ	-	-	0.82(1.85)
Intensity of energy consumed	TJ/ KRW 100 mil	0.015	0.014	0.011
Sales (Consolidated)	KRW 100 mil	2,186	3,216	3,912

1) New & renewable energy have been consumed and reported since 2022.

Utility water consumption¹⁾

Classification	Unit	2020	2021	2022
Utility water consumed	Tons	-	-	10,250

1) Utility water consumption has been reported since 2022.

Waste generation for disposal¹⁾

Classification	Unit	2020	2021	2022
General waste	Tons	-	-	32.06
Other waste	Tons	-	-	7.17
Food waste	Tons	-	-	21.81
Total waste generated	Tons	-	-	61.04

1) Waste generated for disposal have been reported since 2022.

Performance Data : ESG Performance

Social: Personnel data

Number of employees¹⁾

Classification	Unit	2020	2021	2022		
Total	persons	350	379	415		
By gender	Male	165	168	183		
	Female	185	211	232		
By age	Aged below 30	129	167	171		
	Aged 30 to 50	214	203	237		
	Over aged 50	7	9	7		
Managers ²⁾	Sub-totals	61	60	57		
	Male	41	34	35		
	Female	20	26	22		
	Ratio of male employees	%	67	57	61	
	Ratio of female employees	%	33	43	39	
Nationality	USA	persons	7	6	4	
	Canada	persons	2	2	1	
	Japan	persons	1	1	1	
	China	persons	1	1	1	
	New Zealand	persons	0	1	0	
Foreign national employees	No. of foreign national employees	persons	11	11	7	
	Ratio of foreign national employees	%	3.1	2.9	1.7	
Physically handicapped employees	No. of physically handicapped employees	Managers	persons	1	0	0
		Department members	persons	0	2	1
	Ratio of physically handicapped employees	%	0.28	0.52	0.24	
Type of employment	Regular permanent employees	Sub-totals	persons	331	362	394
		Male	persons	158	164	176
		Female	persons	173	198	218
	Temporary or irregular type employees	Sub-totals	persons	19	17	21
		Male	persons	7	4	7
		Female	persons	12	13	14

1) As of December 31 on yearly basis. Please refer to "Status of Employees, etc." under "VIII. Information on officers & employees" of the Business Report for the further details of the company's employees.

2) No. of people in managerial positions has been aggregated based on each leader's position grade

Average wage of employees³⁾

Classification	Unit	2020	2021	2022	
Average payroll of employees ⁴⁾	Total	KRW 1 mil	65	50	66
	Male	KRW 1 mil	83	57	78
	Female	KRW 1 mil	46	43	54

3) Employees' average salary rate decreased as their merit-based pay decreased, and some employees left the company during COVID-19 in 2020 and 2021.

4) Average pay of active employees as of December 31 each year

Status of hiring & extended tenure

Classification	Unit	2020	2021	2022	
Hiring	Total of newly hired employees	persons	74	129	151
	New hires fresh out of school	persons	42	70	27
	New hires with work experience	persons	32	59	124
Turnovers	No. of former employees who resigned	persons	101	94	117
	Voluntary turnover ⁵⁾	persons	75	74	103
	Voluntary turnover rate ⁷⁾	%	21.4	19.5	24.8
Retention ⁵⁾	Average retention period	persons	4.1	4.2	3.9
	Average retention of male employees	persons	4.7	4.9	4.7
	Average retention of female employees	persons	3.6	3.4	3.1

5) Average retention period of active employees as of December 31 on each year

6) Voluntary turnover refers to former employees leaving the company for another job, starting up a business, or other personal reasons other than full-age retirement, dismissal, recommended resignation, etc.

7) Voluntary turnover rate = (No. of voluntary turnover / total employees) x 100

Status of employee training/ education

Classification	Unit	2020	2021	2022
Related hours per person	hours	27.57	30.34	37.33
Related cost per person	KRW 1,000	303	326	363

Performance Data : ESG Performance

Cost of welfare benefits

Classification	Unit	2019	2020	2021	2022
Welfare benefit expenses	KRW 1 mil	7,214	6,814	6,188	8,057
Ratio of welfare benefits expenses to sales	%	2.84	2.67	1.92	2.06

Use of parental leave

Classification		Unit	2020	2021	2022
No. of persons availing it	Male	persons	0	1	1
	Female	persons	2	1	6
No. of persons reinstated after leave	Male	persons	0	0	1
	Female	persons	6	0	1
Rate of reinstatement	Male	%	0	0	100
	Female	%	100	0	100
No. of persons on the job for over a year after return ¹⁾	Male	persons	0	0	0
	Female	persons	0	4	0

1) Those who have worked over a year after return from parental leave in the relevant year

Rate of occupational disasters

Classification	Unit	2020	2021	2022
No. of workers applicable	persons	350	379	415
Rate of occupational disasters	%	0	0	0
Absence rate*	%	0	0	0
Lost time injury frequency rate (LTIFR)	-	0	0	0
Occupational illness frequency rate (OIFR)	-	0	0	0

Status of volunteer service by employees

Classification	Unit	2020	2021	2022
Service hours per person	Hours	0.5	0.6	1.1
No. of social contribution activities by employees	Cases	5	4	3
Total service hours	Hours	180	237	473
No. of beneficiaries	persons	660	750	589

Charitable donation

Classification	Unit	2020	2021	2022
Amount of charitable donations	KRW 10 mil	1.23	40.8 ²⁾	51.4

2) Amount of donation to the foundation increased as Muju YG Foundation was dissolved.

Status of information leaks

Classification	Unit	2020	2021	2022
Total No. of information breach cases	Cases	0	0	0
Total No. of breaches of customer-related information cases	Cases	0	0	0
Fines paid for violating statutes related to information breaches	KRW 1,000	0	0	0

No. of human rights violation cases reported and handled

Classification	Unit	2020	2021	2022
No. of reported cases concerning human rights	Cases	0	0	1
No. of treated cases concerning human rights	Cases	0	0	1

Violations of laws on human rights

Classification		Unit	2020	2021	2022
Violations of laws on human rights	No. of violations	Cases	0	0	0
	Administrative fines	KRW 1,000	0	0	0
	Penalties	KRW 1,000	0	0	0

GRI Standards 2021

GRI Standard 2021	Remarks	
GRI 1: Foundation 2021	Description	YG Entertainment reports its data from January 1 to December 31, 2022 based on GRI Standards 2021. This is the first Sustainability Report by YG Entertainment with information on key activities and performances including some information prior to 2022 or for the first half of 2023.
	GRI 1	GRI 1: Foundation 2021
	GRI-based industry standards	The industry-based standards are not available to for the industry where YG Entertainment belongs as it has not yet been published.

GRI Standard 2021	Indicators		Report page
General Disclosure Items			
GRI 2: General Disclosure Items 2021	2-1	Detail information of the organization	10
	2-2	Corporations included in the sustainability report of the organization	2, 10
	2-3	Report period, frequency and contact info. for inquiries	2
	2-4	Re-description of information	-
	2-5	Third-party (independent) assurance	77-79
	2-6	Activities, value chain, and other business relations	10, 13-17, 60
	2-7	Employees	49
	2-8	Laborers who are not employed full-time	49
	2-9	Corporate governance and organizational structure	63-66
	2-10	Appointment and election of the BOD as top decision-making body	63-66
	2-11	Chairperson of the BOD as top decision-making body	63
	2-12	Roles of the BOD as top decision-making body for impact mitigation	64-65
	2-13	Delegation of responsibilities for impact mitigation	64-65
	2-14	Roles of the BOD as top decision-making body for sustainability reporting	26-27, 65
	2-15	Conflicts of interest	63-64
	2-16	Communication on material issues	64-65
	2-17	Comprehensive knowledge of the BOD as top decision-making body	65
	2-18	Assessment of results by the BOD as top decision-making body	66
	2-19	Compensation policies	66, Business Report
	2-20	Procedure for determining compensation	66, Business Report
	2-21	Rate of total annual compensation	Business Report
	2-22	Statement on sustainable growth strategies	4-7
	2-23	Policy commitment	35, 37, 53, 60, 61
	2-24	Inherent policy commitment	35, 37, 53, 60, 61
	2-25	Processes for improving negative impacts	37-41, 62
	2-26	Concerns raised and advisory channels/ apparatus	38
	2-27	Compliance with law and regulations	35, 61, 72
	2-28	Membership and affiliations	-
	2-29	Access to participation by stakeholders related to the organization	67
	2-30	Collective agreement	49

1) Non-applicable as it is the first report.

GRI Standards 2021

GRI Standard 2021	indicators		Report page
Material Topics			
GRI3: Material Issues 2021	3-1	Procedures to determine material issues	26
	3-2	List of material issues	27
Upgraded Ethical Management Compliance Structure			
GRI3: Material Issues 2021	3-3	Management of material issues	36-38
GRI 205: Anti-Corruption (2016)	205-1	Assessment of corruption risks at business sites	In April 2023, YG Entertainment acquired the integrated certification of ISO 37301 (Compliance) and ISO 37001 (Anti-corruption) management systems. It plans to upgrade its compliance and anti-corruption management systems to periodically assess corruption risks at its business sites.
	205-2	Procedures for communication and training as to anti-corruption policies	37-41
	205-3	Confirmed corruption cases and countermeasures for them	37-41
GRI 206: Anti-Competitive Behavior (2016)	206-1	Legal proceedings against anti-competitive, collusive, and monopolistic conduct/ behavior	40
Reduced GHG Emissions and Improved Energy Efficiency			
GRI3: Material Issues 2021	3-3	Management of material issues	28-31, 43
GRI 302: Energy Consumption (2016)	302-1	Energy consumed within the organization	43
	302-2	Energy consumed outside the organization	In June 2023, YG Entertainment developed its 2040 carbon neutrality roadmap. It plans to compute and manage energy consumed outside the organization on the mid- and long-term basis.
	302-3	Energy intensity	70
	302-4	Energy consumption	43
	302-5	Reduction of energy amount expended by products and services	43, 70
GRI 305: GHG Emissions (2016)	305-1	Direct GHG emissions (Scope 1)	43
	305-2	Indirect GHG emissions (Scope 2)	43
	305-3	Other indirect GHG emissions (Scope 3)	In June 2023, YG Entertainment developed its 2040 carbon neutrality roadmap. It plans to enhance its computation of Scope 3 emissions to achieve carbon neutrality on the mid- and long-term basis.
	305-4	Intensity of GHG emissions	70
	305-5	Reduction of GHG emissions	43
	305-6	Emissions of ozone-depleting substances (ODS)	Non-applicable
	305-7	NOx, SOx and other major substances emitted into air	Non-applicable

GRI Standards 2021

GRI Standard 2021	Contents of indicators		Report page
Enhanced Diversity and Inclusivity			
GRI3: Material Issues 2021	3-3	Management of material issues	32-33, 38, 49, 63, 65, 71
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Board of directors and diversity of its members	49, 63, 65
	405-2	Base salary rate and compensation by gender	49
GRI 406: Anti-Discrimination (2016)	406-1	Cases of discrimination and corrective actions	35
GRI Standard 2021	Contents of indicators		Report page
GRI 200 Economic Topics			
GRI 201: Economic Performance (2016)	201-1	Creation and distribution of direct economic values	10, 67
GRI 300 Environmental Topics			
GRI 301: Raw Materials (2016)	301-2	Raw materials renewed and used	46-47
	301-3	Products and packing materials made of recycled materials	46-47
GRI 303: Utility Water (2018)	303-5	Utility water consumed	44, 70
GRI 306: Waste Disposal (2020)	306-1	Wastes generated and key impacts related to waste	46-47
	306-2	Management of key impacts related to waste	46
	306-3	Waste generated	44
	306-4	Recycling of wastes	44
GRI 400 Social Topics			
GRI 401: Employment (2016)	401-1	New hires and former employees leaving the company	49
	401-2	Welfare benefits provided to regular permanent employees only	52
	401-3	Parental leave	52
GRI 403: Occupational Safety and Health (2018)	403-1	Workplace safety and health management system	53-56
	403-2	Survey and assessment of risk factors, and investigation of incidents	53-56
	403-3	Workplace medical health services	55
	403-4	Communication, advice and participation of employees for workplace health and safety	53-56
	403-5	Employee training/ education on workplace health and safety	53-56
	403-6	Enhancement of employee health	55
	403-7	Prevention and mitigation of impact on workplace health and safety directly related to business relations	53-56
	403-8	Workers subject to workplace health and safety management system	53-56
	403-9	Occupational injuries related to duties	56
	403-10	Occupational diseases related to duties	55
GRI 404: Training/ Education (2016)	404-1	Training/ education hours per person	50
	404-2	Programs for enhancing work skills and supporting stable status of employability	50-51
GRI 418: Customers' Personal Privacy (2016)	418-1	Complaints or grievances substantiated for violations of customers' personal privacy protection or loss of personal data	61




SASB Index

YG Entertainment is committed to disclosing related information and details to stakeholders transparently pursuant to the SASB Framework, industry-based sustainability accounting standards that has been developed by the Sustainability Accounting Standards Boards (SASB). SASB Standards

are divided into 77 industries across 11 sectors, based on the Sustainable Industry Classification System (SICS). The industry group that YG Entertainment belongs to is the Internet Media & Service and Media & Entertainment in the Services sector, pursuant to the SASB Standards.

Topics	Codes of Standards	Indicators	Report location	Report contents
Environmental footprint of hardware infrastructure	TC-IM-130a.1	(1) Total energy consumption (2) Power percentage of power grid (3) Ratio of new & renewable energy	43	Total energy consumption in 2022 was 44.44TJ. Electric power consumption out of it was 30.06TJ, or 67.6% of the total energy consumption. Renewable energy was 0.82TJ, or 1.85% of the total energy consumption.
	TC-IM130a.2	(1) Total service water intake (2) Total service water consumed, ratio of regions of water sources with high water stress	44	Total service water consumed in 2022 was 10,250 tons.
Protection of personal information, standards for advertisements, & freedom of expression	TC-IM-220a.1	Explanation related to policies and practices concerning customized advertisements and protection of users' personal information	61	YG Entertainment has fulfilled its roles and responsibilities stipulated under the Act on Protection of Personal Information and other related laws. To that end, it has enacted and disclosed its policies for protecting personal privacy transparently to its stakeholders.
	TC-IM-220a.2	No. of cases where personal information has been used for secondary purposes	-	Personal data was not used for unauthorized purposes in 2022 in any form, resulting in no cases.
	TC-IM-220a.3	Total monetary loss inflicted by lawsuits related to users' personal information	61	No financial losses were incurred from lawsuits related to users' personal privacy in the past three years, resulting in no loss.
Information security	TC-IM-230a.1	(1) No. of cases of data infringed (2) Ratio of infringed Personal Identifiable Information (PII) (3) No. of users affected by it	61	No damages were inflicted in relation to information security in the past three years, meaning there were 0 cases.
	TC-IM-230a.2	Description of approaches for identifying and resolving data security risks, including those related to the use of third-party cyber security standards	61	The company operates an enterprise-wide body for supervising information security and managing personal privacy protection. It has installed a system to respond to incidents related to personal privacy leaks.
Hiring of employees, participation & achievements	TC-IM-330a.1	Ratio of foreign workers	49	As of 2022, the foreign national employees represented 1.7% of the total employees.
Protection of intellectual property rights & anti-competition practices	TC-IM-520a.1	Total monetary losses inflicted by legal proceedings related to regulations on anti-competition	-	As of 2022, no monetary losses were inflicted by violation of laws related to anti-competitive practices.
Protection of intellectual property rights & unlawful duplication of media	SV-ME-520a.1	Description of policies for protecting intellectual property rights of the company's contents	41	YG Entertainment protects intellectual property, its key assets it secures mainly by its departments tasked with legal affairs and compliance.
Media pluralism intellectual property rights	SV-ME-260a.1	Gender, racial, and ethnic ratio of (1) Management team, (2) administrative/engineering, and (3) other employees	49, 65	
	SV-ME-260a.2	Description of policies and procedures related to pluralism in news and media contents	33	

Assurance Statement on GHG Emissions

Verification Statement

Verification No : **KQA-T2316**
 Company : **YG Entertainment Inc.**
 Representative : **Hwang Bo Kyung / Yang Min Suk**
 Business Registration No : **105-81-91810**
 Address : **7, Huijeong-ro, 1-gil, Mapo-Gu, Seoul, Republic of Korea**

KQA confirms that the verification result of GHG emissions and energy consumption reports of above company is proper.

Verification Standard : **Guidelines on the verification for the operation of emission trading scheme**
 Verification Scope : **2020-2022 GHG emissions and energy consumption reports**
 Assurance level : **Reasonable assurance**

*** GHG emissions**

Year	GHG Emission (tCO ₂ eq)		
	Scope1	Scope2	Total
2020	684.855	991.307	1,675
2021	993.666	1,359.461	2,352
2022	879.031	1,400.072	2,280

*Remark : The sum of each cell may differ from the total because each cell is cut off.

Verification Term : **10 Apr 2023 ~ 31 May 2023**
 Date of issue : **24 Jul 2023**

Korea Quality Assurance

(GHG · Energy verification body '2011-3rd' accredited by the ministry of environment.)

* The details regarding the range of this Verification Statement and requirement of the GHG and Energy target scheme guidelines can be obtained by requesting to the relevant organization.

KQA Address : 2Fl., Hojeong Bldg., 49, Manan-ro, Manan-gu, Anyang-si, Gyeonggi-do, 14034, Republic of Korea

Third-party Assurance Statement

To readers of 2023 YG Entertainment Sustainability Report

Introduction

Korea Management Registrar (KMR) was commissioned by YG Entertainment to conduct an independent assurance of its Sustainability Report 2023 (the “Report”). The data and its presentation in the Report is the sole responsibility of the management of YG Entertainment. KMR’s responsibility is to perform an assurance engagement as agreed upon in our agreement with YG Entertainment and issue an assurance statement.

Scope and Standards

YG Entertainment described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR’s assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with GRI standards 2021 was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process

GRI Sustainability Reporting Standards 2021

Universal Standards

Topic specific standards

- GRI 205 : Anti-corruption
- GRI 206 : Anti-competitive Behavior
- GRI 302 : Energy
- GRI 305 : Emissions
- GRI 405 : Diversity and Equal Opportunity
- GRI 406 : Non-discrimination

As for the reporting boundary, the engagement excludes the data and information of YG Entertainment’s partners, suppliers and any third parties.

KMR’s Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report’s performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service’s DART and public databases.

Limitations and Recommendations

KMR’s assurance engagement is based on the assumption that the data and information provided by YG Entertainment to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Third-party Assurance Statement

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with YG Entertainment on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

· Inclusivity

YG Entertainment has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

· Materiality

YG Entertainment has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

· Responsiveness

YG Entertainment prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them. We did not find anything to suggest that data and information disclosed in the Report do not give a fair representation of YG Entertainment's actions.

· Impact

YG Entertainment identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

· Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021:2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with YG Entertainment and did not provide any services to YG Entertainment that could compromise the independence of our work.

June 2023, Seoul, Korea

Representative Director

E. J. Hwang



